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Old Buildings, New Ideas: Historic Preservation and Creative Industry Development as Complementary Urban Revitalization Strategies

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Old Buildings, New Ideas: Historic Preservation and Creative Industry Development as Complementary Urban Revitalization Strategies

Abstract

The cultivation of the creative sector through the implementation of arts districts has been employed as an urban revitalization tool with increasing frequency in recent years, often occurring within historic building stock. In a departure from previous models of economic development in which workers are drawn to an area by jobs, footloose and often self-employed creative industry workers are more likely to locate based on quality of life and an area's so-called livability factors present in historic areas throughout the U.S.

Creative sector research and policy making stress the importance of character-rich places and the co-location of spaces for production and consumption of creative goods as a components in developing a region's creative industry. Yet the existing literature does not specifically seek out or incorporate historic preservation as a mechanism in creative district planning strategies. This thesis explores the critical role historic preservation can play in the development of the creative industries, thus ensuring preservation is considered a component in future policy initiatives. It addresses the relationship between historic preservation and arts districts (one aspect of creative industry cultivation), seeking to identify strategies that build effectively on historic preservation policy and arts districts as complementary components of community economic development strategy. It identifies policy tools that advance both historic preservation and the development of the creative industry and describes instances in which these tools have been successfully applied in concert.

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OLD BUILDINGS, NEW IDEAS:
HISTORIC PRESERVATION AND CREATIVE INDUSTRY DEVELOPMENT
AS COMPLEMENTARY URBAN REVITALIZATION STRATEGIES

REBECCA CORDES CHAN

A THESIS

in

Historic Preservation

Presented to the Faculties of the University of Pennsylvania in
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Program Chair + Advisor
Randall F. Mason
Associate Professor

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1. INTRODUCTION

The cultivation of the creative sector through the implementation of arts districts has been employed as an urban revitalization tool with increasing frequency in recent years, often occurring within historic building stock. In a departure from previous models of economic development in which workers are drawn to an area by jobs, footloose and often self-employed creative industry workers are more likely to locate based on quality of life and an area's so-called livability factors present in historic areas throughout the U.S.

Creative sector research and policy making stress the importance of character-rich places and the co-location of spaces for production and consumption of creative goods as a components in developing a region's creative industry. Yet the existing literature does not specifically seek out or incorporate historic preservation as a mechanism in creative district planning strategies. This thesis explores the critical role historic preservation can play in the development of the creative industries, thus ensuring preservation is considered a component in future policy initiatives. It addresses the relationship between historic preservation and arts districts (one aspect of creative

industry cultivation), seeking to identify strategies that build effectively on historic preservation policy and arts districts as complementary components of community economic development strategy. It identifies policy tools that advance both historic preservation and the development of the creative industry and describes instances in which these tools have been successfully applied in concert.

THE HISTORIC BUILT ENVIRONMENT WITHIN CREATIVE PRODUCTION DISTRICTS: AN OVERLOOKED ASSET

Anecdotally, the creative industries tend to locate in urban areas that are rich with historic fabric. However, little scholarly literature exists that directly examines the relationship between arts-based community revitalization, the creative industries, and preservation of the built environment as an economic development technique. Many scholars hint at the possibility of the mutual benefits to be had through historic preservation and arts-based community economic development, particularly in relation to place making and a city or region's ability to attract creative industry workers who are more concerned with quality-of-life rather than proximity to occupation.

Based on their survey of available arts economic development literature compiled in the Harvest Document, Stern and Seifert (2007) argue the most successful way for a city to cultivate its creative economy is to develop a neighborhood-based creative economy that is both place- and people-based. The ideal neighborhood-based creative economy is "grounded in a given locale but [has] active connections with other neighborhoods and economies throughout the city and region" (Stern and Seifert 2007:55). Similarly, Markusen (2006) argues that artists, a significant portion of the creative workforce, carefully weigh the opportunities to be had between large cities, such as

New York City, with smaller scale alternatives that offer a lower cost of living, and greater artistic networks when choosing a place to locate.

Issues of quality of life and placemaking are matters directly in line with preservation advocates who argue that conservation of the built environment results in a differentiated “product” with the ability to attract capital and investment in communities, particularly to creative workers and innovative businesses interested in quality-of-life factors (Rypkema 2005). As a significant part of this differentiated product, historic neighborhoods have the potential to act as anchors of neighborhood identity, catalysts for neighborhood revitalization, incubators of small local business, and attractors of creative culture (Dunn 2010). Furthermore, scholars such as Christopher Leinberger of the Urban Land Institute argue that urbanistic factors such as the high degree of walkability, and the high degree of “authenticity” (i.e. the “feeling of where history happened”) inherent in historic areas of cities make such neighborhoods and districts attractive to the highly educated “Millennial” generation of artists and entrepreneurs who make up a significant portion of the creative sector workforce.

Aside from quality-of-life factors, there are other reasons to believe that arts districts as spaces for creative industry and historic preservation are high opportunity areas for community economic development techniques. Jane Jacobs stated it best in her 1961 book, *Death and Life of the Great American Cities*, when she wrote “Old ideas can sometimes use old buildings. New ideas must use old buildings” (188). Historic downtowns provide a diversity of space and rent levels that are not found elsewhere in new construction. For entities requiring low occupancy costs, in this case non-profit organizations, self-supported artists and entrepreneurs, typical new construction office park or shopping center rent levels are often too high. Additionally, such spaces

tend to lack diversity in terms of size and configuration of rental space desired by creative industry businesses (Rypkema 2005).

In the post-industrial era, the creative industry has become a significant sector in regional and metropolitan economies (Westaf 2009; National Endowment for the Arts 2008). In particular, economic impact studies have shown that the creative industries and their associated activity generate income, jobs, and tax revenue. Additionally, studies have demonstrated that creative culture plays an increasingly large role in leveraging human capital and cultural resources, generating economic development in under-performing regions, creating vibrant public spaces, strengthening communities ties, and making areas more desirable places to live (NGA 2001; Jackson et. al 2006; Seaman 1987). While this research stresses the importance of the aforementioned character-rich places, the existing literature does not specifically seek out or incorporate historic preservation as a generator of the built fabric in arts district planning strategies. This thesis seeks to explore the critical role preservation can play in the development of the creative industries, particularly through the implementation of arts districts.

METHODOLOGY

The methodology for this study will consist of a Review of Literature as well as several different levels of analysis:

Policy and Incentive Overview: Existing policies and regulations applicable to historic resources and the creative industries will be reviewed. The policy and incentive review will identify areas of potential overlap in existing federal and state policies applicable to preservation and the creative industries as well as areas in which improvements could be made.

Regional Survey and Analysis: This component of the analysis will draw on brief case studies and interviews with key stakeholders to establish a typology and a study of the planning instruments utilized in such districts. These illustrative examples address some of the tangible and intangible qualities that make historic buildings attractive to the creative workforce.

An In-Depth Study of Preservation and the Creative Industries through Two Baltimore Case Studies: Two case study neighborhoods that are the sites of Maryland Arts and Entertainment Districts as well as National Register Historic Districts will be evaluated. These case studies were selected on the basis of their historic building stock; the availability of preservation and creative sector-specific tax incentives available at local, state, and federal level; and the manner in which existing historic resources were incorporated into the arts district strategy. These case studies are intended to evaluate the preservation and creative industry policy framework in place, as well as examine the ways in which historic preservation has played an integral role in the accomplishment of each neighborhood's respective goals for urban regeneration.

This component of the analysis will be preceded by a statewide analysis of Maryland's preservation and creative sector initiatives, background on arts and preservation in the City of Baltimore, and a review of the regulatory framework of arts districts, policies pertinent to this study.

Recommendations

The analysis of the major Baltimore case studies and the policy overviews will be used to inform policy recommendations for future incentive programs aimed at incentivizing preservation and the creative industries.

PART I:

2. OLD BUILDINGS, NEW IDEAS: A STRATEGIC ASSESSMENT

The comingling of artists and creative professionals, developers, and government officials is perhaps an unnatural one; creative pursuits, after all, are predicated on a high level of flexibility and spontaneity, which is, at cursory level, quite the opposite of regimented city planning and legislative processes, and risk-averse investors seeking to build their real estate portfolios. A survey of areas in which this phenomenon has already run its course shows that the outcome is not always a favorable one for artists. Indeed, SoHo, one of the better known examples of artist-led urban regeneration, as it exists today is criticized not for its well preserved cast iron architecture, but for becoming a caricature of itself, replacing not one, but two communities (the artists who “restored” SoHo in the 1970s, and the original users of the buildings—the industrial working class), with high end retail, and New York’s wealthy young urban professionals.

The “SoHo Effect” is certainly not the only upshot for communities seeking to incorporate creative communities as components of building reuse and economic development. As the review

of literature in Chapter III will demonstrate, there is a growing body of literature addressing the benefits and shortfall of the creative sector as components of community development, as well as strategies for doing so. Such research justifies public investment in the arts and helps to measure the economic contribution of the creative sector to regions' economic bases. While the importance of the built environment and placemaking is often mentioned as a component of the equation, literature that addresses the creative sector's relationship to the built environment remains superficial at best. Furthermore, despite complementary objectives, an even greater void exists in regards to potential contributions of historic preservation and creative industry development. In short, historic preservation contributes to the success of creative sector development but is not recognized as such.

This chapter articulates the common ground shared by historic preservation and the development of creative capital and cultural production via the cultivation of creative communities and creative productions districts. A policy and planning phenomena that has gained momentum over the past twenty years, this strategic assessment is largely based on examples of creative production districts in industrial areas in the United States. Many of the situations and policies involved in these examples are echoed at the international level, suggesting their applicability in various contexts of heritage conservation.

This strategic assessment serves as the basis for the following thesis question: Is there a connection between historic preservation and the development of the creative industry via arts districts beyond benign factors such as availability of inexpensive and flexible space? This largely theoretical evaluation of the values and strategies of preservation and the creative sector would suggest 'yes' citing the following broad themes: A shared value system that governs historic preservation and the creative industries; placemaking as a precondition for cultural production; the

synergies of urban conservation and co-location required for successful creative production districts; and complementary policy and use objectives.

Converging Values

In conceptualizing historic preservation and the creative industries it is important to remember that historic preservation delineates a set of values that guide use strategies while the creative sector is an industry, referring to the production of a good. A review of the respective activities and use strategies associated with preservation and the creative industries demonstrates the existence of their corresponding values.

MATERIAL INTERVENTIONS	IMMATERIAL PRESERVATION USE STRATEGIES	CREATIVE INDUSTRY USE STRATEGIES
Preservation	Continued use of building, site or landscape	Continuing craft/work in industrial buildings space; continuity of use
Rehabilitation	Financing projects to reuse a building, perhaps for a new use or project	New use in historic space; gradually improving building etc. ; capitalizing on existing urban infrastructure
Restoration	Interpreting a time period and restoring a site to the given era in an historically accurate way	Reinvigoration of craft or trade original space (i.e. microbrewery in historic brewery)
Recreation	New designs added to old buildings; rebuilding completely	Design firms designing new architecture/additions

TABLE 1: Potential Preservation and Creative Industries Use Strategies (Adapted from Mason 2011).

As seen in Table 1, the complementary values of preservation and the creative industries hint at the potential for strategic partnerships between creative professionals and the preservation community.

*Preservation of the Built Environment is a Key Component of Placemaking in Urban Environments,
a Precondition for Cultural Production*

Urban areas are cumulative environments, both vertically through time and horizontally across social, economic, and cultural communities. As such, new strategies and contemporary decision making within urban space are shaped by interactions with the historical outcomes of past decision making embodied in the built environment. The meanings ascribed to these urban elements are far from static; the constant conversation between past and present allows familiar elements of the urban landscape to acquire new social and economic significance.

Though artists and creative communities are initially attracted to urban areas by the availability of affordable and flexible space, the process of living and working in such areas incorporates the built environment into its users' physical and social landscapes. Consequently, the spatial imaginations of creative communities become bounded by what Markus (1993) refers to as the "durable taxonomy" of buildings' functions and social meaning. Furthermore, because buildings often reference a specific history, they impart a sense of authenticity that cannot be replicated elsewhere or at any point in time.

The semiotics of the built environment and creative communities have functional ramifications. As the built environment is incorporated into the social imagination of the creative community, a social cachet becomes attached to certain types of existing building stock. Such cache is often rooted in those artists willing to take the most risks for their profession, often Avant-guard or "fringe" artists. The cachet gradually trickles down (or up?) to high-end design professionals and eventually to mainstream consumer populations as the area becomes both more acceptable socially as a desirable location and more economically valuable based on physical neighborhood improvements. Thus, in the greater social imagination buildings become recognized

as the sites of artistic activity and creative production, thereby acquiring new meaning within consumption patterns as the immaterial attributes of creative commodities.

In this respect historic buildings gain symbolic value as components of cultural production in the “product” sense of the word and gain social value as components of placemaking for artists and creative professionals in search of distinctive places to live. In contrast to traditional economic sectors, within the creative production industries placemaking and the ability of an area to market itself as a unique and desirable place to live have become major components of a region’s strategy to increase human capital, thus creating a competitive advantage for a region’s economy. Furthermore, placemaking as an attractor for the creative industries is based upon the co-location of sites of production and sites of consumption, enabling industrial cities with dense and intact building stock the opportunity to gain a competitive edge over newly constructed suburban areas perceived to be lacking in authenticity.

Artist-Led Regeneration Enables the Understanding And Use of Buildings As Pieces of Whole Urban Systems in Addition to Their Value as Architectural Artifacts

Though the tradition of preservation in the U.S. originated in the conservation of buildings of high architectural significance, the inclusion of industrial heritage in the preservation consciousness represents a paradigmatic shift in values to include an appreciation of a building’s intended use at the human scale as well as its function as a component of a larger urban system. Historically, industrial complexes were often geographically situated in close proximity to transportation infrastructure, markets, and worker housing and were linked to other vital components of a functional urban system.

Artists and creative professionals often locate in underutilized industrial buildings, frequently improving the area as a whole by attracting additional creative professionals and eventually more mainstream populations. While this aspect of artist-led regeneration certainly benefits the built environment, intrinsic features of existing urban infrastructure make revitalization beneficial for artists. In direct opposition to those who argue (Lee and Murie 2004) in favor of new construction (viewing existing building stock, particularly industrial era housing, as obsolete), the availability of features typical of industrial cities (proximity to transportation infrastructure, housing etc.) is precisely what allows artists and arts-based regeneration to develop areas in an effective manner. The availability of flexible and affordable space that initially attracts artists and creative professionals often extends beyond industrial buildings, to nearby housing. These spaces, which historically functioned as worker housing, offer diversity in terms of size and configuration, are affordable to rent or own, and are located in close proximity to infrastructure and downtown areas. Though urban social patterns may have changed, utilizing historic urban patterns of industrial complexes offer opportunities for artists and creative professionals to experience upward mobility by becoming home-buyers, reducing their transportation and living costs. Urban conservation, not just the preservation of individual sites, enables this to occur.

Issues of gentrification and displacement pose a threat to existing communities. However the rehabilitation and revitalization of abandoned and decrepit areas, often through private financing mechanisms with minimum government intervention, cannot be discounted as a positive economic development outcome. The redevelopment of urban areas contributes to larger patterns of urban ecological functionalism, providing the opportunity to revive consumption patterns through capitalizing on historic but practical features of the urban landscape such as markets, walkability and transportation infrastructure, public and green space and the like.

Complementary Policies/Use initiatives

Though artists and creative professionals rarely use industrial buildings and complexes for the same purposes for which the structures were built, reuse of existing structures for creative production incorporates the preservation tenet of “continuity of use”. In light of Post-Fordist economies currently found throughout the U.S., the creative industries offer a contemporary take on the preservation tenet of “continuity of use”. Infusing creative production activity into industrial sites, therefore, is a particularly appropriate preservation strategy applied to unutilized or underutilized industrial buildings and complexes for which the use value of a building is likely greater than its architectural value.

The use of industrial buildings by artists fosters an appreciation of existing buildings by capitalizing on existing features commonly found in older industrial buildings such as large windows, freight elevators, wide open floor plans etc. Furthermore, artists and creative professionals can often use available spaces with minimal changes to the architectural integrity of a building, making their use not only minimally invasive, but also a highly appropriate preservation or rehabilitation strategy that considers both existing fabric and end user.

The shared values of historic preservation and the creative industries offer the opportunity for complementary policy and regulation strategies. Preservation policy generally regulates the exterior of a building with the most force, leaving interior spaces fairly open to adaptation by their users. Studies (Markusen and Gadwa 2010) have also shown that artists tend to make incremental changes to buildings rather than rapid, large-scale modifications leaving room for commentary and intervention by regulatory preservation agencies if necessary.

Conclusion

This strategic assessment serves as the basis for answering the thesis question: Is there a connection between historic preservation and the development of the creative industry via arts districts beyond benign factors such as availability of inexpensive and flexible space? This largely theoretical evaluation of the values and strategies of preservation and the creative sector would argue in favor of a more nuanced relationship, citing the converging values of historic preservation and the creative industries, placemaking as a precondition for cultural production, the synergies of urban conservation and co-location required for successful creative production districts, and complementary policy and use objectives. These broad themes will function as the basis for the evaluation of preservation and the creative industries as complementary urban revitalization strategies throughout the remainder of this thesis.

REVIEW OF LITERATURE

This thesis investigates the interface of the creative industries, particularly those concentrated areas in the form of creative production districts, and the historic built environment. It begins with a review of literature which offers a brief overview of industrial heritage in the U.S. Using industrial history as a launching point, it moves to urban economic development theory and its potential applicability to the creative sector. It then seeks to define components of the creative sector and review existing literature on the potential benefits of developing the creative sector through planned arts districts. Because this thesis is focused on the role of historic preservation within the larger discussion of the U.S. creative economy, a brief overview of historic preservation policy and planning, particularly the role of landmark and historic district designation, will be included, as well as the potential social, cultural, and economic benefits of preservation to be had through exercising these policies.

THE INDUSTRIAL CITY

The Industrial Revolution of the late 18th Century created a transformation in production; production moved from decentralized skilled craftsmen to unskilled labor in concentrated urban areas. This transition is reflected in industrial architecture, which is born of utility and typically incorporates horizontally-oriented, low-rise buildings with large windows to allow natural light (Bradley 1995).

Later, in response to twentieth-century mass production methods, industrial buildings were designed to be the “master machine”, incorporating notions of order, control, and system into the architecture of industrial buildings. These goals were also reflected within the larger urban context, in which economic reorganization and the development of larger-scale transportation systems were aligned with the selective use of mass production methods and the need for flexible factory space that could be readily adapted for new uses (Bradley 1995).

In the 1970s the preservation of industrial heritage began to gain momentum within both U.S. and international preservation and conservation ideology. The 2003 “Nizhny Tagil Charter for the Industrial Heritage” outlined the following definition of industrial heritage:

Industrial heritage consists of the remains of industrial culture which are of historical, technological, social, architectural or scientific value. These remains consist of buildings and machinery, workshops, mills and factories, mines and sites for processing and refining, warehouses and stores, places where energy is generated, transmitted and used, transport and all its infrastructure, as well as places used for social activities related to industry such as housing, religious worship or education (ICOMOS 2003, 1).

The same charter sought to spread a greater understanding of the value of industrial heritage by defining the following values:

The industrial heritage is the evidence of activities which had and continue to have profound historical consequences... The industrial heritage is of social value as part of the record of the lives of ordinary men and women, and as such it provides

an important sense of identity. It is of technological and scientific value in the history of manufacturing, engineering, construction, and it may have considerable aesthetic value for the quality of its architecture, design or planning... these values are intrinsic to the site itself, its fabric, components, machinery and setting, in the industrial landscape, in written documentation, and also in the intangible records of industry contained in human memories and customs...rarity, in terms of the survival of particular processes, site typologies or landscapes, adds particular value and should be carefully assessed. Early or pioneering examples are of special value (ICOMOS 2003, 2).

Thus the definition and value of industrial heritage outlined by the Charter considers social, technological, and scientific value, as well as function, and to a lesser extent, aesthetic value.

Fordism and the Industrial City

The concept of the so-called creative economy is largely predicated on the fact that the U.S. economy has entered an era of Post-Fordism. Popularized by Henry Ford's assembly line, Fordism is the twentieth-century economic concept of increasing productivity through the large-scale switch from skilled to unskilled labor (Lloyd 2006). Fordism dramatically increased a manufacturer's ability to produce identical goods at lower costs, and is largely credited with creating the blue-collar middle class, social stability, and a consumer society in the U.S. From an urbanistic standpoint, Fordism and industrialization was physically manifested in the dense urban industrial cores found in cities across the U.S.

Economic policies in the post-World War II era caused large corporations to move to the periphery of cities, and to outsource labor to foreign countries. This trend effectively severed the link between urban core and manufacturing, rendering industrial zones virtually obsolete. Coupled with social trends of white flight, increasing poverty and crime rates, and racial polarization, industrial cities across the U.S. had experienced extreme decline and disinvestment by the 1980s.

The subsequent economic model that developed in the U.S., often referred to as Post-Fordism, is dependent upon small, batch-production and is largely characterized by a shift from a manufacturing-based economy to a global, knowledge-based economy. Additionally, Post-Fordism is distinguished by a developed sense of individual entrepreneurship and a market shift from unified mass production to a diversification and differentiation goods produced and marketed to particular social niches. While the concept of a Post-Fordist economy opens up a variety of possibilities for innovation and creativity in the workforce, it leaves a great deal of uncertainty regarding how to make the best use of the physical remnants of the era of Fordism, that is, industrial urban cores.

CULTURAL PRODUCTION, ART, AND COMMERCE IN THE POSTINDUSTRIAL CITY

After periods of rapid industrialization and urbanization followed by subsequent periods of economic decline and decentralization in the second half of the twentieth century, U.S. cities are once again beginning to experience growth within the urban core (Stern and Seifert 2007). Demographically, within the last two decades cities have experienced an influx of both immigrant populations, as well as young people living and working in or near central business districts. This regeneration experienced by the city has resulted in the blurring of distinct spheres of cultural uses, as well as consumption and production patterns within the traditional city (Stern and Seifert 2007; Lloyd 2006).

This particular form of industrial reuse was first explored by Sharon Zukin in *Loft Living* (1982), in which the author positions post-industrial cities as spaces capable of generating new cultural capital. Zukin charts the evolution of loft districts in stages, beginning with the mass exodus of a city's urban core, which results in derelict and abandoned low-income zones that

quickly become undesirable by the mainstream population. Such spaces are then attractive for young artists and entrepreneurs who require large spaces and low rent. This trend resulted in the conversion of manufacturing loft buildings in New York City from spaces that once supported industrial activities to those that support new cultural facilities. These facilities, ranging from work and performance space to restaurants and other small enterprises, were not always profitable investments but served to assign new cultural value to buildings that were previously the site of social and cultural divestment. Though she was writing years before the term “creative economy” was popularized, Zukin links the innate characteristic of the creative sector and its potential relationship to the preservation and repurposing of historic building stock.

Culture and Creativity as Product and Industry

While the relationship between the built environment and the creative industries is certainly the focus of this research, the production and consumption of the commodities produced by the creative sector, as well as the meanings ascribed to the social performance of production and consumption of such commodities, are integral to understanding this relationship. Within contemporary notions of capitalism the concept of ‘culture’ is manifested in social performance, production, consumption, and power relations resulting in increasingly aestheticized and culture laden commodities (Power 2002; Bordieu 1992; Zukin 1981). From a definitional perspective, this concept introduces inherent problems in distinguishing cultural industry ‘products’ from those that are not. In markets with a wide diversity of products, consumers purchase objects for their utilitarian value but also as statements of personal ornament, social display, and aesthetic attraction.

Scholars on the cultural industries and creative sector define cultural products as “goods and services bought for reasons other than utilitarian ones, such as aesthetic, semiotic, sensory, or experiential reasons” (Power 2002, 105). While the non-utilitarian nature of the product is a key element in a cultural product, the high degree of creativity and innovation inherent in the production and distribution of a cultural product is equally important in this definition. Furthermore, these definitions are based on an understanding of creative industries as those economic actors involved in the production of goods and services whose value is primarily determined by aesthetic, semiotic, sensory, or experiential content. These actors, generally referred to as the *creative workforce* or *creative sector*, are trained in specific cultural and artistic skill and essentially driving the success of leading cultural and creative industry sectors. In the U.S., these nine cultural and creative industrial sectors are: advertising, film and video, broadcasting, publishing, architecture, design, music, visual arts, and performing arts (Westaf 2009; Mt. Auburn Associates 2005; 2006).¹

Production Clusters and the Creative Industries

In contrast to traditional modes of vertical integration within economies, the current vertical disintegration of the creative sector has resulted in the voluntary clustering of particular producers in particular industries near one another. This concept is best explained through the theory of production clusters which asserts that businesses tend to locate near one another thus creating an environment of mutualism (Porter 1998). According to Michael Porter,

“Clusters affect competition in three broad ways: first, by increasing the productivity of companies based in the area; second, by driving the direction and pace of innovation which underpins future productivity growth; and third, by stimulating the formation of new businesses, which expands and strengthens the cluster itself. A cluster allows each member to benefit *as if* it had greater scale or

¹ For more detailed explanation of industry classifications please refer to Appendix A.

as if it had joined with other formally—without requiring it to sacrifice its flexibility”
(Porter 1998, 81).

In essence, production clusters reap the benefits of formal firms while allowing for heightened levels of innovation and flexibility and design of new products and markets.²

Production clusters are well suited to the creative sector because the production of creative goods is an inherently collective activity (Becker 1982; Stern and Seifert 2007); individual artists are dependent on a variety of services, personnel, audiences, and colleagues to produce their work. *Creative clusters* of enterprises and individuals directly and indirectly producing cultural commodities tend to form in geographically concentrated areas of creative workers and their business and organizations. These groups result in what scholars refer to as *creative communities* (Mt. Auburn Associates, 2005; Stern and Seifert 2007). However, it should also be noted that within creative industry clusters production itself is increasingly local, while consumption is increasingly global (Scott 2000).

The Rise of the Creative Class

No author or publication has brought more attention to the so-called creative sector than Richard Florida. In *The Rise of the Creative Class* (2002) and its follow-up, *Cities and the Creative Class* (2005), Florida discusses the so-called “Creative Class”, which he defines as workers in the technology industry, artists, musicians, and the gay community. According to Florida, these

² One commonly cited example of a production cluster is California’s Silicon Valley. As a national leader in computer chip technology, the production cluster in the Silicon Valley draws upon a local pool of highly educated labor through its proximity to Stanford University and other higher education institutions. Additionally, the collection of trained individuals and firms with similar interests in close proximity to one another enables the exchange and amalgamation of ideas amongst individuals resulting in increased levels of innovation (Porter 1998).

workers, also referred to as “High Bohemians”, are affecting economic development and urban regeneration in select U.S. cities. Florida posits High Bohemian communities are by nature composed of creative people, resulting in more dynamic and innovative communities. These communities in turn attract more creative people, who, along with their businesses and capital, are drawn to the human capital produced by the High Bohemians. Using various indicators, including the “Bohemian Index” and “Gay Index”, Florida identifies the U.S.’s “Creative Capitals” (San Francisco, Boston, Seattle etc.) which exhibit especially high levels of innovation, and “Nerdistan” (Atlanta, Phoenix, etc.), cities that exhibit high levels in one area of Florida’s indices but are lacking other amenities and as a result do not cultivate the same creative class.

Despite its mainstream popularity, various critiques of *The Rise of the Creative Class* have developed, particularly pertaining to Florida’s methodology. As many scholars on the arts and creative economy demonstrate (Markusen 2004; 2006), Florida labels industries “creative” without carefully considering which occupations fall within these industries, creating at best a rather nebulous description of the creative industry in the U.S. In effect, Florida identifies people in occupations defined by levels of higher education as “The Creative Class”. However, as more in-depth studies of the creative workforce demonstrate (Markusen 2004), the talent, skill, and creativity typical of a creative worker are not necessarily synonymous with higher education.

There is plenty of research besides that of Richard Florida focused on the creative sector in the U.S. and abroad. While the scope and depth of these studies varies widely, they have produced several unifying characteristics applicable to the creative sector.

One of key characteristic of the creative sector is that it departs from traditional industry sectors, characterized by vertical integration and the concept that workers will gravitate geographically towards the location of their employment. Markusen (2003) argues that the creative

sector departs from traditional industries in that it is more depends more on social networks than vertical integration and is characterized by supply-side imperatives. Additionally, the creative sector is often community-based and operates through bottom-up decision making rather than top-down mandates.

Further contradicting traditional industry models, studies have shown (Markusen 2003; Markusen and Gadwa 2010) creative workers, particularly artists, are footloose in nature, apt to prioritize living environment over marketing efforts to attract employees to a particular job or firm. Artists are attracted to regions not only by the presence of other artists and creative industry workers, but also by philanthropic institutions and populations that patronize the arts and by livable neighborhoods with affordable housing.

Regional Economies and the Artistic Dividend

Markusen (2003, 2004) argues that creative workers, particularly artists, benefit regional economies in two ways. First, artists contribute to regional economic base by providing goods and services that both keep local dollars within the region, as well as producing unique “exports” that draw dollars from other regions into local economies. Second, artists attract businesses and employees to the region while helping to retain current residents and businesses, stimulating a return on past investments by the public, private, and philanthropic sectors.

In addition to contributing measurable economic benefits to regional economies, Markusen and Gadwa (2010) found the creative placemaking that often occurs within creative sector hubs also contributes to neighborhood livability and long-term sustainability. Creative workers value quality of life above proximity to place of employment, and cultural industries cluster where they reside. Furthermore, arts-anchored revitalization encourages non-arts firms and families to commit

to place and to engage in their community. Therefore, the artistic dividend is not only that of community economic development, but civic engagement. This is a fact supported by research by the National Endowment for the Arts (2008), which found arts and cultural participants are more likely to be civically engaged. A study by Evans (2004) further demonstrates the rationale for cultural clustering, showing the ways in which the economic, social, and cultural elements of the creative sector serve complementary and beneficial roles in production clusters.

Economic	Social	Cultural
<ul style="list-style-type: none"> -industrial district -managed workspace -production chain -production network -technology Transfer 	<ul style="list-style-type: none"> -neighborhood renewal -urban village -community arts -urban regeneration -collective identity -arts and social inclusion -social networks 	<ul style="list-style-type: none"> -avante garde/bohemia -artists' studios and galleries -new media -ethnic arts -local cultural strategies -arts schools and education -cultural intermediaries -creative capital

TABLE 2: Rationales for cultural clustering (Evans 2004).

ATTRACTING AND MAINTAINING CREATIVE COMMUNITIES

Based on the perceived benefits of the creative sector to regional economies and the more local benefits of placemaking and community development characteristic of the creative sector, cities across the U.S. have begun pursuing methods for bolstering their local creative sectors. From the standpoint of policy initiative, identifying characteristics of and challenges to successful environments for developing a region's creative sector is a key factor in the development of strategic planning efforts.

In their study of New York City for the Center for an Urban Future in collaboration with Mt. Auburn Associates, Keegan and Kleiman (2005) identified the following key factors in creating an environment conducive to creative workers:

Talent: A pool of talented, skilled, versatile workers, often available on a freelance basis

Markets: A receptive public ready to appreciate quality products.

Sector mix: Opportunities for artists to earn a living while pursuing their art. The support of nonprofit and for-profit ventures is fundamental to quality and sustainability of a city's creative activity.

Clusters: Concentrations of talent, suppliers, and markets. Because creative work is naturally in flux and collaborative, creating the social economy that provides connections among individuals and businesses is crucial to survival and success.

Support infrastructure: Similar to sector mix, infrastructure that includes educational training institutions, philanthropic and financial community, trade associations and unions, supplies and distributors, and supportive city government provides a necessary support system for artists.

In addition to the factors identified by Keegan and Kleiman, as Stern and Seifert argue, a "supply-side" logic must be integrated into public policy if the goal is to develop and leverage the creative sector (2007,18). Stern and Seifert stress that the importance of affordable and flexible spaces and infrastructure for creative industry entrepreneurs and workers. Stern and Seifert summarize it best when they write, "for a community arts center or artist-centered organization, new construction inevitably increases financial strain—and the program fee or rental structure—in a way that can compromise the group's social and artistic missions" (2007, 25).

Keegan and Kleiman (2005) as well as Stern and Seifert (2007) also identify challenges to creative sector development. These challenges include:

Cost of appropriate work space: The spatial needs and configurations of creative workers varies greatly from industry to industry. Because many creative workers are self-employed, it is often difficult for start-up entrepreneurs or individuals lacking startup capital or unsteady income to pay for the spaces required to do their work in.

Access to markets: The creative industries are highly competitive in nature, and there are often large costs associated with use of gallery space, media, retail space, etc. making entry for emerging talent difficult.

Market forces: creative ventures are experimental in nature, require time and funding for research and development, and are susceptible to failure. Because traditional business models avoid such risks, creative entrepreneurs have difficulty gaining access to startup capital.

Lack of business skills and information: The competitive nature of the art and design markets demand basic business skill sets that small businesses and entrepreneurs in the creative sector often lack.

Work supports and economic insecurity: Because they are often self-employed or do project-based work, creative workers often lack benefits such as health insurance, retirement accounts, and pension plans.

Changes in technology: Rapid technological changes in the creative industries can cause certain tools and techniques to utilized by creative workers to become obsolete. Similarly, technological changes can increase competition and create disputes over intellectual property rights.

The Issue of Gentrification

A major challenge to artists and the communities they inhabit is the threat of gentrification, or the process by which people of higher income move into a neighborhood, often changing its

physical and social fabric and displacing residents of lower income in the process (Byrne 2003). Gentrification is usually caused by changes in preferences of affluent individuals, for example higher income individuals choosing urban living over suburban living, or by an increase in housing demand that causes populations of a certain socio-economic status to seek housing in areas that would formerly be considered marginal, resulting in displacement of existing residents. The process of displacement occurs both directly, such as when rent is raised beyond what tenants are willing or able to pay, or indirectly, when upon departure of existing residents an owner raises rents or takes their property off the market, eliminating an affordable housing option (Byrne 2003).

Sharon Zukin (1982) elaborates on gentrification specifically as it applies to artists and creative communities. Zukin argues that because artists and creative workers often gravitate towards underutilized urban areas and improve them over time, the neighborhoods become attractive areas to outside populations. As a result, residents of higher socio-economic status subsequently flow in, which increases housing demand, driving housing prices up. Eventually the residents who initiated district improvements can no longer afford to live in their own neighborhoods.

However the converse situation is also a potential reality for cities that purposely target creative workers and artists in revitalization efforts for low-income communities; artists and creative workers can potentially displace existing populations through economic means (driving rent and general cost of living beyond existing residents' means) or by changing the social structure and character of neighborhoods (Woodsak et al 2003).

As academics and practitioners alike have come to realize, a wide variety of potential benefits can be gained through cultivation of a region's creative sector. In an effort to tap potential regional resources, development of the creative industries has become the topic of local policy debate in cities across the U.S. over the past decade or so. This reflects a major change in policy making; as Stern and Seifert (2007) note, the world of art and culture in the U.S. has very rarely, if ever, been subjected to the same bureaucratization as education, health care, and social services.

Although the cultural industries have been identified as an important and emerging area of research for regional economic and policy, a significant gap exists in the systematic study of these industries. Much is to be learned by the international policy debate surrounding the creative industries and arts district, often referred to as "arts quarters" in the European context.

In a study of cultural industries in Sweden, Powers (2002) studied creative industry-specific location quotients over a period of five years monitoring cultural industry growth in urban and rural areas. Powers concludes that while rural areas exhibited some significant clustering, in absolute terms cultural industries tended to locate in large urban areas and that showed regional clustering tendencies.

Other studies by Montgomery (2003; 2004) and Mommaas (2004) investigate the features that make arts quarters successful urban spaces by analyzing and quantifying place-based aspects of arts consumption, cultural production, and placemaking. Arguing that successful arts quarters share characteristics of successful urban places, that is, Activity, Form, and Meaning, the authors highlight the importance of having both consumption and production space within arts quarters, as

well as a diversity of both physical size of available spaces, as well as their use potential (Montgomery 2004).

In the U.S., arts districts are largely the focus of emerging literature on the creative industries, ranging from analysis of economic impact for regional economies to examination of organic cultural districts (Stern and Seifert 2007). From a policy perspective, the current focus of creative sector driven economic development is on “demand-side” strategies such as the development of cultural facilities, cultural districts, and cultural tourism to stimulate downtown revitalization and regional economies. It seems the key concern in regards to implementation of arts districts is not how the creative industries are being used for social purposes but how developers, planners, residents, and artists use creative products to commodify and develop neighborhoods (Chapple and Jackson 2010).

Planned Arts Districts

One approach to developing the creative industries is through the implementation of planned arts districts. Such districts vary widely in their structure and layout, ranging from modular blocks and complexes to street corridors to entire neighborhoods. Additionally design of arts districts can include new construction, rehabilitation and reuse of historic buildings, and/or expanding and developing existing spaces (Johnson 2010).

Arts district vary depending on the presence of an anchor, such as a single large theater organization, a complex of multiple organizations, a small anchor that might serve as an initial catalyst, or lack an anchor entirely. Finally, structure of arts districts is generally composed of local organizations or leaders from the private, public, or civic sectors that monitor the direction and success of the district.

Within arts districts there are also specific types of spaces. Markusen (2006) identifies three types of artist spaces in cities: artists' centers, which often function as resource hubs and places to socialize and display work; artist live/work space and studio buildings, which, as their title suggests function as places for artists to live and work, often at affordable rates; and small performing arts spaces, which function as affordable community venues for the performing arts. These types of spaces are vital within districts as they help to attract and retain artists by providing social and professional networks and access which they would not otherwise have.

KNOWN METHODS FOR STUDYING THE CREATIVE SECTOR

Mt. Auburn Methodology

One of the more popular methodologies for studying the creative sector was developed by Mt. Auburn Associates for their studies of New York (Keegan and Kleiman 2005) and Louisiana (Mt. Auburn Associates 2005). This methodology measures a defined geographical area's "Creative Core" which is made up of nine industries: advertising; film and video; broadcasting; publishing; architecture; design; music; visual arts; performing arts. Additionally, the Mt. Auburn Associates methodology examines data sources at the sector level, utilizing U.S. Census County Business Patterns' records for firms and workers in the creative core, U.S. Census non-employer data for self-employed individuals with creative occupations, and finally U.S. Census Equal Employment Opportunity Special tabulation for individuals working in "creative occupations" outside of creative industries.

The Mt. Auburn Associates methodology is widely used because it is considered an accurate measure of the creative sector within a given reason because it offers a method for measuring the strength of employment in the creative sector in a given geographic area that can be

adapted to various scales. Because most of the data used in this methodology is publically available, it is also a cost-effective way of measuring creative industry activity.

Creative Vitality Index

One measure that is currently being used is the Creative Vitality Index (CVI), an annual measure of the economic health of a given area's creative sector (Westaf 2009). The CVI is comprised of two sub-indices, Community-Participation and Employment. The Community Participation sub-index, which composes 60 percent of the overall index, measures seven community participation indicators: non-profit arts organization income, non-profit "arts active" organizational income, per capita book store sales, per capita music store sales, per capita photography store sales, motion picture attendance, and museum and gallery sales. The Employment sub-index, which composes the remaining 40 percent of the index, measures jobs in the creative sector.

Like the Mt. Auburn Associates Methodology, the CVI is considered an accurate measure of the creative sector within a given reason because it measures the strength of employment in the creative sector including both its non-profit and for-profit dimensions in a defined geographic area. Additionally, most of the data that it uses in analysis is preexisting, updated annually, readily available, and comparable across states and regions within the U.S.

There are known shortcomings to the CVI, most importantly that it does not measure economic activity in the technology sector or more "informal" and "underground" economic activity. Additionally, the CVI is not an index of overall creativity within a region and does not take into consideration the size of a study area's economy or its trade position within larger economical contexts. The CVI was originally developed in Seattle, and has experienced increased use in cities and states across the U.S.

Florida Methodology

In “The Rise of the Creative Class” Richard Florida (2002) uses the 3T indices to determine the strength of a city or CMSA’s creative class. These indices are: Talent, or a creative share of the workforce, based on demographics, educational, and occupational characteristics; Tolerance, or diversity that is based on indicators of immigration, integration, sexual orientation and “bohemian culture”; Techonology, or innovation, measured by patent activity and the high technology share of the economic base. The measurement of the 3T’s are broken down further into sub-indices and scored. Cities are then ranked by the combined strength of their 3Ts score.

While Florida’s evaluation of the 3Ts in concert presents a holistic approach to evaluating the creative sector, some of the sub-indices, for example the “Gay Index” and “Bohemian Index” have questionable correlation with economic regeneration in cities (Florida 2002). Additionally, definition of “Creative Class”³ adopted in this methodology is arguably too large, creating making causal arguments where at best the data points to correlation.

In all of the aforementioned methodologies, the value of the built environment in attracting creative professionals is mentioned, but not discussed in detail. While the Mt. Auburn Associates, CVI and Florida methodologies represent known methods for measuring the strength of the creative industries in a given region, they fail to take into consideration the built environment as factors in a healthy creative community within a city.

³ Florida posits the Creative Class represents as much as 30% of the workforce in the U.S. (Florida 2002)

HISTORIC PRESERVATION: A BRIEF OVERVIEW OF ITS HISTORY AND VALUES

Historic Preservation in the U.S. is typically thought of as the conservation of the built environment, sites, and landscapes through material and urban conservation, as well as landscape preservation through preservation, rehabilitation, restoration or recreation. Though preservation in the U.S. arguably started with the preservation of Mount Vernon in 1858, it was not until 1930 that the first historic preservation ordinance was created in Charleston, South Carolina. Preservation as a movement gradually began to gain steam in the U.S. with the creation of the National Trust for Historic Preservation in 1949, but it was not until the destruction of New York City's Penn Station in 1964 and the 1966 National Historic Preservation Act that the movement emerged as a fully fledged discipline and profession (National Trust for Historic Preservation 2009).

Contemporary preservation practice in the U.S. considers more traditional forms of conservation, focusing on physical fabric relating to the Venice Charter as well as immaterial values of the built environment in accordance with the Burra Charter (See Figure 3). This multifaceted approach is evident in what is considered "worthy" of preservation in the U.S.; though the movement originated in the static preservation of individual buildings of architectural or historical significance, it has diversified and shifted to include entire sites, neighborhoods, and landscapes, as well as vernacular and industrial architecture that fall outside the category of high style architecture. Furthermore, the goals of preservation have evolved, positioning preservation as a mode of economic and community development, such as the Main Street Program, one of the most successful forms of community economic development in the U.S (Rypkema 2005). Hence, the evolution of preservation sets up the question of this study: the use of historic preservation to support a particular kind of economic development, arts-based community economic development.

MATERIAL	IMMATERIAL
Preservation	Building/Land Use
Rehabilitation	Financing
Restoration	Interpretation
Recreation	New Design

TABLE 3: Potential Conservation Values (Mason 2011).

Historic Designation: Types, Methods, Levels

In the U.S. one method of recognizing historic significance within the built environment is in the form of historic designation. This designation can be done at various scales, ranging from an individual objects to an entire neighborhood. The designation can also occur at the local, state, or federal level.

The ability to designate entire districts exposes a shift in preservation thinking in the U.S.; in the early years of the preservation movement, only individual landmarks were preserved, leaving districts to function as buffer zones for the landmarks they surrounded. However as preservation advanced, the concept of cultural landscape preservation also developed, recognizing the value of cohesive fabric at the neighborhood scale as well as the relationship of the built environment to streets, open space, and natural resources as part of a given location's character defining elements and historic significance.

Perhaps the most common form of historic designation in the U.S., the National Register of Historic Places. This program, authorized by the National Historic Preservation Act of 1966, is a federally administered program that seeks to coordinate public and private efforts to "identify, evaluate, and protect America's historic and archaeological resources" (National Park Service 2004, p.i.). Determination of a property's eligibility is achieved through adherence to a variety of

standard selection criteria. A key first step in qualifying for historic rehabilitation tax credits, nominating a property to the National Register of Historic Places requires nominators to provide a classification, description, and statement of significance as components of a formal nomination.

Similar to individual designation, another form of Federal historic designation is a National Register Historic District. A district, according to the National Register Bulletin is “a geographically definable area, urban or rural, possessing a significant concentration, linkage, or continuity of sites, buildings, structures, or objects united by past events or aesthetically by plan or physical development.” (National Park Service 2003, D) At the district level, individual properties are listed as contributing or non-contributing status.

From site to district scale, designation on the National Register is largely honorific. Though Section 106 review and commentary is required if the property or site in question might be adversely affected by a federally funded project, sites and buildings are still vulnerable to demolition. National Register status does not affect property ownership or transfer status, does not require public access, and will not be listed at the individual level if owners object, or at the district level if the majority of property owners object (National Park Service 2004, i). National Register designation does, however, introduce the opportunity for properties to collect Federal Rehabilitation Tax Credits, provide opportunities for preservation easements to nonprofits organizations, grants for planning and rehabilitation, and International Building code fire and life code alternatives (National Park Service 2004, i). These restrictions, or lack thereof, and incentives, are largely reflections of U.S. values concerning protection of private property rights.

At the local level, certified local governments can also maintain local registers of historic places, as well as local districts. Local level designation usually maintains the strictest control over historic fabric, often regulating additions and alterations to historic buildings as well as infill

construction through design review boards. Often the demolition of locally listed properties can be prevented, at least temporarily, by historic commissions. Local governments also have the power and opportunity to provide grant programs, tax incentives, and other forms of incentive for historically significant structures.

The Benefits of Historic Preservation

As shown by a brief review of existing literature pertaining to the creative sector and arts districts, the arguments for attracting and keeping creative industry workers is largely in line with the goals of Historic Preservation in the U.S. Conservation of the built environment can potentially be marketed as a differentiated “product” with the ability to attract capital and investment in communities, particularly to creative workers and other innovative businesses interested in quality-of-life factors (Rypkema 2005). However, preservation and stewardship of the built environment are associated with an array of economic, social and cultural benefits.

Economic Benefits of Preservation

Though rarely linked in mainstream community economic development literature, historic preservation planning has a significant role to play in economic revitalization efforts. This is particularly true of cities and regions with large amounts of underutilized historic building stock. Studies of the impact of historic preservation on jobs creation, property values, and environmentalism (Gilderbloom et al 2009) show that preservation generates more jobs per dollar than most other public investment. The same study shows preservation results in increased environmentalism and economic sustainability through reduced fossil fuel consumption as a result of increased walkability within historic neighborhoods. Additionally, studies have shown a positive

correlation between increases in property value and historic preservation (Rypkema 2005, Gilderbloom 2008).

According to Rypkema (2005), preservation is one of the highest job-generating economic development options available. Historic rehabilitation construction budgets spend up to 70% of costs on labor that is usually hired locally, compared to new construction projects that typically budget approximately 30% for labor. Furthermore, Rypkema argues that the Main Street Program of the National Trust for Historic Preservation is the most consistently effective economic revitalization tools in the U.S., creating over 227,000 jobs between 1981 and 2005, and leveraging an average of \$40 in additional investment for every \$1 dollar initially invested across the 1,600 communities that have utilized the program.

One of the most popular incentives for preservation that can also be used as a community economic development tool is the Federal Historic Rehabilitation Tax Credit. This program offers a twenty percent tax credit for qualified rehabilitation expenses on income producing properties. There are some restrictions, most importantly that the rehabilitation must be “substantial” and in accordance with the Secretary of the Interior’s Standards. The property must also be a certified historic structure, that is, it must be listed on the National Register of Historic place, or be a contributing property in a National Register Historic District.

For cities with for qualifying buildings in sites and willing investors, the benefits can be enormous. In a recent study of the Historic Rehabilitation Tax Credit conducted by Rutgers, the State University of New Jersey found that in 2008 alone the credit generated nationally an estimated 58,800 jobs, \$2.6 billion in direct income, and an output of \$6.9 billion (Listokin 2010). While many of the jobs and income generated by the credit were related to the construction and service industries, as a result of the interconnectedness of the national economy and because both

direct and multiplier effects were considered in the study, other sectors of the national economy not immediately associated with historic rehabilitation are affected as well, such as agriculture, mining, transportation, and public utilities.

Social and Cultural Benefits of Historic Preservation

Aside from quality-of-life factors, there are other reasons to believe that arts districts as spaces for creative industry and historic preservation are compatible community economic development techniques. Perhaps Jane Jacobs said it best in her 1961 book, *Death and Life of the Great American Cities*, when she wrote “Old ideas can sometimes use old buildings. New ideas must use old buildings” (81). Rypkema (2005) echoes this sentiment when he argues that historic downtowns provide a diversity of space and rent levels that are not found elsewhere in new construction. According Rypkema’s research, for entities that need to control occupancy costs, in this case self-supported artists and entrepreneurs and non-profit organizations, typical office park or shopping center rent levels are often too high. Additionally, such spaces tend to lack diversity in terms of size and type of rental space required by creative industry businesses.

In their discussion of consumption in urban areas and increasing demand for urban amenities, Glaeser et al (2001) identify four critical urban amenities: variety of services and consumer goods, aesthetics and physical setting, good public services, speed or ability to transport people places quickly. Though not explicit advocates of historic preservation, the authors assert the presence of aesthetically pleasing or unique building stock can be a distinct advantage in the consumption value of cities. The presence of aesthetically pleasing building stock is directly related to historic preservation. Furthermore, in comparing U.S. cities with significant historic building stock with their European counterparts, the authors assert that European cities with

“architectural legacies” seem to “buffer the cities against any temporary downturns in productivity” suggesting that historic buildings contribute to the retention of a city’s overall value and its ability to recover from economic downturn. Conversely, the authors argue that cities without physical beauty have lower levels of human capital and are at a permanent disadvantage due to their lack of aesthetic amenity.

Adaptive Reuse as a Preservation Strategy for Industrial Buildings

Historic preservation produces aesthetic value, but also retains urban patterns contributing to co-location efficiencies and increased sustainability. Adaptive reuse as a preservation strategy has the potential to provide economic, social, cultural benefits to investors greater than that of new construction. According to a study by Ball (1999) on developers, sustainability issues and the reuse of industrial buildings, it was found that “the costs of reusing vacant industrial buildings are lower than the equivalent costs of new build”. Aside from sustainability considerations, Ball found that economically speaking, the reuse of existing industrial buildings has the great potential to offer a favorable outcome to investors. Behaviorally speaking, in a survey of expected end-users there was a significant (75%) belief that refurbishment or reuse was more cost effective, and guaranteed demand for refurbished buildings in urban industrial areas (Ball 1999).

The potential benefits of adaptive reuse go beyond economic values of lowering costs. Adaptive reuse, particularly for industrial buildings also retains features related to the heritage use of industrial buildings, as well as the character and style of buildings. Furthermore, it capitalizes on the quality construction and embodied energy of a building, as well as the buildings’ locational appropriateness, as industrial buildings are usually located near transportation infrastructure and the sites of other industrial activities. These features are often realized by low grade users,

amongst whom there is a high demand for low-cost premises, confirming the important but often under-appreciated role of existing buildings in providing space for grassroots economic growth (Ball 1999).

CONCLUSION

Much has been written about the creative industries, urbanism, and the values of historic preservation. Despite the clear similarities and relevancy of these thematic concepts, however, there is little literature that recognizes the interconnectedness of preservation of the built environment as a crucial component of economic development planning strategies targeting the growth of the creative industries. Connecting this argument with recommendations for increasing the compatibility of preservation and creative industry strategies will bolster the preservation argument within the larger community development agendas.

3. POLICY AND INCENTIVE OVERVIEW

The historic preservation planning tradition in the U.S. relies on policy framework to ensure regulation of historic landmarks, sites, and districts, as well as various forms of incentives to motivate stakeholders to maintain or reuse such resources. Though preservation policy relies more heavily on incentivizing markets than regulating them, this framework is seemingly in opposition to the creative industries, which up until recently were largely market-driven industries, developed without much regulation or incentive.

In the past two decades, however, policy makers have attempted to incentivize creative industry development. The following chapter will provide a broad overview of national- and state-level policies and incentive programs pertaining to historic preservation and the creative industries.⁴ This overview identifies areas in which existing policies and incentives have

⁴ There are also numerous incentive programs for historic preservation at the local level which will not be included in this review but have the potential to advance creative economy objectives.

complementary objectives, as well as areas where small adjustments in programming could result in better leveraging for the development of the creative sector by capitalizing on the existing built environment.⁵

FEDERAL INCENTIVES

In keeping with the general absence of Federal government engagement with cultural activity, as of 2011, there are no known federal policies or incentive programs specifically targeted at stimulating the growth of the creative industries. There are, however, several incentives and policy programs aimed at stimulating rehabilitation of existing building stock.

Federal Historic Tax Credit

One of the most powerful incentives for the preservation of the historic built environment in the U.S. is the federal historic tax credit (HTC). The first steps in creating a federal tax incentive for the rehabilitation of historic buildings were introduced in 1976 with legislation intended to expedite amortization of rehabilitation-related expenditures, and accelerate depreciation of rehabilitated

⁵ Though tax credit programs are certainly a major component of incentivizing behavior in the U.S., they certainly are not the only form of incentive to be found. Preservation easements, perhaps one of the most rigid forms of regulating the aesthetic character of a building, involve the donation of one portion of a building or site's property rights to an approved non-profit entity in exchange for a reduction of property taxes. An easement is usually donated in perpetuity, though the option does exist to designate a period of time (National Trust for Historic Preservation 2008). Though they vary widely from place to place, to qualify for a Historic Preservation Easement through the Internal Revenue Service, the easement must either preserve a certified historic structure or a historically important land area to qualify for federal income and estate tax deductions. Properties need not be income producing, but the IRS does require that properties be publicly accessible (National Trust for Historic Preservation 2008).

Additionally, there are numerous grant programs for both historic preservation and the arts available at the federal, state, and local levels, as well as third party actors.

building. Major federal-level legislation creating an investment tax credit was introduced in the form of the Economic Recovery Tax Act of 1981 (P.L. 97-43) (ERTA). ERTA was a three-tiered investment tax credit which included a 25% credit for income-producing certified historic rehabilitation projects, a 15% credit for rehabilitation projects on non-historic buildings at least 30 years old, and a 20% credit for renovation of existing commercial properties at least 40 years old (Listokin et al 2010; National Trust for Historic Preservation 2010).

Until the creation of ERTA in 1981, new construction projects were more financially attractive investments than reuse or rehabilitation of existing buildings because they could be depreciated at a faster rate. To combat this focus on new construction, ERTA attempted to incentivize the rehabilitation of historic buildings. The credit was well received, becoming a major driver of rehabilitation activity; at its peak in 1985 ERTA generated \$2.4 billion (1985 dollars) in tax credits spread across 6,200 project applications (Listokin et al 2010).

Five years after the introduction of ERTA, the Tax Reform Act of 1986 (P.L. 99-514) was passed, replacing the three-tiered program with a two-tier credit for qualified rehabilitation expenditures. The new tax act was reduced to a 20% credit for income-producing certified historic structures and a 10% credit for non-certified structures built before 1936. Additionally, the Act introduced a “passive loss” rule which placed limitations on the historic tax credit to offset investment income for individual investors (Listokin et al 2010).

Because the structure of the HTC was largely reliant on individual private investors, the Tax Reform act resulted in a dramatic decrease in HTC use. HTC use reached an all-time low in 1993, when \$468 million credits were used across 538 projects (Listokin et al 2010). Since then, use of the credit has rebounded gradually, especially since the introduction of the Federal Low-Income Housing Tax Credit, state historic tax credits, and most recently New Market Tax Credits.

Currently, the Federal Historic Preservation Tax Incentive program is administered in partnership with the Internal Revenue Service (IRS) and State Historic Preservation Offices (SHPOs). The incentive is available for the “substantial rehabilitation” of income-producing properties that are certified historic structures (i.e. buildings listed on the National Register of Historic Places either individually or as a contributing structure within a National Register historic district or a local historic district certified by the Department of the Interior) (National Park Service 2004). The program allows applicants to apply for a credit equivalent to 20% of the total qualified expenditures related to rehabilitation.

In addition to the 20% Historic Tax Credit, there is also a 10% federal rehabilitation tax credit for rehabilitation costs on income producing properties constructed before 1936. Projects must leave 75% of original exterior and interior walls intact. There is no project evaluation for the 10% credit; instead applicants file for the credit on their yearly tax statements.

For both the 20% and 10% HTCs, 100% of the credit may be received one year after completion of the project. Additionally, the property owner must maintain the project in approved condition for five years after the project is completed to avoid pro-rata recapture of the tax credit by the federal government.

Other Federal Tax Incentives

In addition to tax credits specific to historic preservation, there are other federal-level tax incentives available for urban development that have the potential to result in preservation of the built environment.

Low Income Housing Tax Credit

The Low Income Housing Tax Credit Program (LIHTC) of 1986 (Section 42 of the Internal Revenue Code) incentivizes affordable rental housing by providing tax credits to developers of qualified projects. The credits are generally sold to investors, reducing debt that would otherwise be incurred by the developer, allowing the property to be rented at a more affordable rate (U.S. Department of Housing and Urban Development 2010).

Credits are federally allocated to state agencies by the IRS. The state agency, typically a housing finance agency, allocates the credits on a competitive basis prioritizing projects that are structured to remain affordable for the longest period of time (U.S. Department of Housing and Urban Development 2010). According to U.S. Department of Housing and Urban Development (2010) "Federal law also requires that 10 percent of each state's annual housing tax credit allocation be set aside for projects owned by nonprofit organizations" (U.S. Department of Housing and Urban Development 2010, np).

To be eligible for the LIHTC, projects must:

- *Be Residential rental properties:* Particularly pertinent to existing buildings is the fact that LIHTC requires rehabilitation is performed if the LIHTC is being used on an existing building. According to the U.S. Department of Housing and Urban Development (2010) the credit may be used on acquisition of existing buildings as long as the property to be acquired has not changed ownership or was in service in the ten years prior to acquisition. However, potential credit users can still use the credit on acquisition of a building if the building's owner has changed within the past ten years if the building itself has been out of service for more than ten years.

- *Commit to one of two possible low-income occupancy threshold requirements:* This requirement, often referred to as the 20-50 Rule (At least 20 percent of the units must be rent restricted and occupied by households with incomes at or below 50 percent of the HUD-determined area median income) or the 40-60 Rule (At least 40 percent of the units must be rent restricted and occupied by households with incomes at or below 60 percent of the HUD-determined area median income) specifies the minimum portions of a project that must be occupied low-income units.
- *Restrict rents in low-income units*
- *Operate under the rent income restrictions for 30 years or longer, pursuant to written agreements with the agency using the tax credits* (U.S. Department of Housing and Urban Development 2010).

As the program is designed, developers and/or property owners may claim housing tax credits annually over a period of ten years. However, developers also have the option of selling the tax credits directly to an investor or to a syndicator, in order to raise equity for their project up front. Similar to the HTC, LIHTC can, be used on “hard” costs such as construction costs, as well as “soft” costs, such as architectural and environmental testing fees. LIHTC cannot be used on land acquisition costs or permanent financing costs.

The amount of LIHTC received is determined through a three step process. First, the qualified basis for expenditures is calculated, based on the Eligible Basis (eligible depreciable “soft” and “hard” costs), multiplied by the Applicable Fraction (the percentage of qualified low-income units in the project). Then the credit rate is determined, either through “9 percent” credit rate, which is applicable to new construction and substantial rehabilitation projects that are not otherwise federally subsidized; or through the “4 percent” credit rate, which applies to the acquisition of

eligible, existing buildings, and to federally subsidized new construction or rehabilitation. The respective credit rates are based on the qualified basis and distributed each year over a ten year period. According to U.S. Department of Housing and Urban Development, "It is typical for 'LIHTC' equity' to cover roughly half of total development costs, in new construction projects utilizing the '9 percent' credit rate" (U.S. Department of Housing and Urban Development 2010, n.p).

New Markets Tax Credit

The New Markets Tax Credit (NMTC) program offers a tax credit of 39% of qualified expenditures on substantial renovations as well as new construction in certain geographic areas and Targeted Populations (Community Development Financial Institutions Fund 2011). The program, a part of the Community Renewal Tax Relief Act of 2000, was created in an effort to spur reinvestment in impoverished and low-income neighborhoods designated by the federal government (Community Development Financial Institutions Fund 2011).

The American Jobs Creation Act of 2004 (P.L. 108-357, 118 Stat. 1418), which amended the definition of LICs from the Community Renewal and Tax Relief Act of 2000, created three new categories of LICs:

"(1) High Out-Migration Rural County Census Tracts – a population census tract within a county which, during the 20-year period ending with the year in which the most recent census was conducted, has a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period, if the median family income for the census tract does not exceed 85 percent of statewide median family income; (2) Low-Population/Empowerment Zone (EZ) Census Tracts – a population census tract with a population of less than 2,000 if the tract is within an empowerment zone, and is contiguous to 1 or more LICs (not including other LICs in this category); and (3) Targeted Populations – certain individuals, or an identifiable group of individuals, including an Indian tribe, who (A) are low-income persons; or (B) otherwise lack adequate access to loans or equity investments." (U.S. Department of the Treasury 2008)

NMTCs must be applied to investments made in designated Community Development Entities (CDEs). In order to be a CDE an organization must:

- *Be a domestic corporation or partnership at the time of certification*
- *Demonstrate a primary mission of serving, or providing investment capital, for low-income communities or persons*
- *Maintain accountability to residents of low-income communities through representation on a governing board to the entity*

NMTC is claimed over a seven year period. During the first three years an investor using the credit receives the equivalent of “five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually” and additionally, “investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period” (U.S. Department of the Treasury 2008, N.P.)

STATE INCENTIVES

State Historic Tax Credits

Currently there are 31 states in the U.S. with historic preservation tax incentives. Though the credits vary in amount and structure on a state by state basis, they generally outline criteria for eligible properties, standards for rehabilitation, a threshold of investment in order to receive the credit, and some mechanism for the administration of the credit (Schwartz 2010). However, there is some variation in the approach states take to incentivizing investment in rehabilitation projects: some adopt a geographical approach, targeting rural areas or capping projects in urban areas, while other states target physical fabric, concentrating credits in areas in which there is a great deal of physical deterioration or are experiencing severe economic distress.

State Creative Industry Tax Credits

Of the 31 states with state-level historic preservation tax incentives, currently there are seven states with state-level creative industry and cultural production-related tax incentives.⁶ These tax incentives can be grouped into the following categories (Mt. Auburn 2006):

Individual Actor/Artist-based Tax Incentives: Artist-based tax incentives result in income tax exemption for eligible artists on the sale of their work, regardless of place of residence.

Place-based Tax Incentives: Place-based tax incentives are usually predicated on a pre-defined arts district. Within this district there can be several forms of tax incentives, including income tax exemption for eligible artists if they live or work in designated arts districts; gallery or theater exemption for sales, amusement, and admission tax if galleries are located in a designated arts district; or income tax exemption and property tax abatements for artists if they live in and rehabilitate industrial and historic buildings⁷.

Industry-based Tax Incentives: Industry-based tax incentives allow designated creative industries to receive tax credits based on how much of their production or research and design occurs within a designated area.

These incentives vary, ranging from those that target the growth of specific industries to those aimed at spurring redevelopment in urban areas through rehabilitation of existing buildings. Appendix C has been devised as an historic preservation and creative industries tax incentive matrix, providing an easier comparison available incentive programs at the state-level.⁸

⁶ All 31 states currently have film-industry related tax incentives.

⁷ Place-based tax credits, particularly those relating to rehabilitation of industrial buildings, can often be combined with federal historic tax credits and state historic tax credits, where applicable.

⁸ Film tax incentives are listed specifically when they are transferable, as this factor provides the opportunity for greater investment.

CONCLUSION

Appendix C identifies existing state-level historic preservation and creative industry incentives, as well as the variability in the credits. Though the matrix is not designed to determine the success of credits, it is important to consider factors that affect the applicability of the credits to historic preservation and creative industry initiatives, and therefore their efficacy.

For individual and industry-based creative sector policy incentives, it is important to ensure policy is aligned with the needs of the industries and populations that the incentives are designed to attract. While many states have created incentives for the film industry⁹, review of existing policies demonstrates a general lack of incentives for other creative industries at the state level¹⁰. Targeting different creative industries through new policies, or broadening existing policy incentives to include additional creative industries would help to encourage creative sector growth. However, in attempting to incentivize particular industries a clear and fair definition of the qualifying industry and product is a vital component of effective policy making.

Because they are attached to a geographical location, place-based incentives have greatest potential to benefit the built environment and potentially be layered with historic tax credits. However, as the review of literature suggested, artists tend to rent and not own their

⁹ Despite the fact that incentives target the film industry itself, it seems that preserving the features that make a city or landscape distinctive would work to the advantage of states trying to attract the film industry.

¹⁰ Michigan is one of the only states that has adopted a more inclusive definition of creative industry, and has adjusted its MEGA program and associated tax incentives accordingly. Even with the expanded definition of qualifying industries, however, the minimum requirements that must be met to qualify for MEGA tax incentives require large amounts of capital investment are clearly aimed at larger firms. While Michigan policy makers did not have the combination of preservation related tax incentives in mind when creating MEGA, it as it currently written does not incentivize moving into historic areas in need of urban revitalization efforts.

properties rendering place-based incentives (for both preservation and the creative industry) for property owners of little use to artists. For those artists that are property owners, the minimum investment threshold seen in many historic preservation tax incentives as well as time frame for project completion could prevent qualification.

In terms of the available state HTC's and their potential to be used for creative industry-related pursuits, there are two significant factors that prevent the credits from being more widely used: capping on aggregate and individual projects, and a lack of transferability (Schwartz 2010). It is also important to consider the rate and initial expenditure that must be made in order to qualify for the credit. Studies (Schwartz 2006; 2010) suggest credits should be in the range of at least 20-30% to be deemed worthy of investment. It seems, therefore, that combining state-level credits, either with those offered at the local or federal levels, or with LIHTC's, NMTC's, or creative industry tax incentives would be to the benefit of potential developers.

The existing federal and state policies outlined in this chapter are targeted at incentivizing historic preservation and the development of the creative industries, largely through private investment. The existing framework, particularly that tailored to the creative industries, assumes that it is the artists and creative professionals that will be taking advantage of policy incentives when this is not always the case; because the incentives require the large investments of private capital that artists and creative professionals do not always have, it is often third party private developers that become the beneficiaries of such incentive programs. Particularly for place-based incentives, while the built environment within areas targeted by the incentive programs might experience the benefits of capital investment, such investment also runs the social risk of pricing long-time community members, often the artists and creative professionals that are targeted by the

incentives, out of their neighborhoods. Consequently, potential social and environmental costs and benefits must be weighed considered in the creation of policy incentives.

4. CONCEPTUALIZING CREATIVE PRODUCTION DISTRICTS AND HISTORIC PRESERVATION

There are a wide range of urban development projects, neighborhoods and sites with an artistic or creative-industry bent that are referred to as “arts districts”¹¹ in the U.S. These vary heavily ranging from grassroots arts organizations, to highly design- and technology-oriented “creative production districts”. Some planned, some organic, the focus or intent (if any) of the district is one aspect that separates districts, as the genesis of districts: while some districts form virally, based on loose agglomerations of existing creative communities heavily dependent on social networks, other districts take a more tabula rasa approach, created on the basis of formal urban economic development strategies. Research in the past decade has identified common characteristics of districts (Wodsak et al 2008; Montgomery 2003, 2004; Mommaas 2004; Stern and Seifert 2007), and even typologies of arts districts (Johnson 2010), however, very little

¹¹ The term “arts district” is employed generally in this chapter to mean any range of project typology or size.

attention is paid to the role of preservation of the built environment within such districts. This chapter builds upon existing literature through an evaluation of the preservation aspect of several illustrative examples of existing arts districts and production sites.

FOUNDATIONS

The urbanistic features that make cities successful will also be true of successful urban creative production districts. In *The Death and Life of Great American Cities*, Jane Jacobs (1961) discusses the four preconditions of successful “city diversity” which include a mixture of primary uses, density, permeability, and diversity of building stock. This concept has been expanded upon by more contemporary urban theorists (Lynch 1979; Ewing and Cervero 2010; Montgomery 2003) who have identified the following factors relating to the activity, form, and meaning of successful urban areas:

Density: variable of interest per unit of area; usually population, but can also be related to activity

Diversity: number of different land uses in a given area, and the degree to which they are represented in the given area; diversity of business types, zoning etc.

Design: street networks characteristics within an area, block size, intersections, setbacks, street width or other physical variables that define an environment

Destination-accessibility: ease of access to attractions, both regional local, including jobs, shopping, etc.

Distance to transit: the shortest street routes to residence or workplace relative to transit stops

While urban morphology inevitably varies from city to city due to differing patterns of development and environmental specificities, when the so-called “D-variables” of the built environment are

present, they become mutually self-sustaining with the communities that inhabit them (Lynch 1981).

CONCEPTUALIZATION

The concept of “culture” in the creative industries sense of the word is predicated on the fact that cultural activity is the sum of activities related to cultural production and cultural consumption. A successful arts district, therefore, is a combination of physical space for production (such as studio, office or live-work space) as well as physical space for performance, display, and sale of work.¹²

The physical variables attached to the production and display that occurs within an arts district include physical configuration, building stock, and anchor mix (Johnson 2010, Montgomery 2003; 2004). The physical configuration of an arts district occurs either as an individual site, an arterial street corridor, or neighborhood or district. Architecturally speaking, some arts districts occur within existing buildings and infrastructure, while other districts take the approach of designing and constructing new facilities in an effort to attract more individuals to the area. Finally, arts districts usually have an anchor organization in the form of an influential nonprofit, a university, a performance venue, or even a museum.

EVOLUTION

Arts districts form under a variety of conditions ranging from spontaneous clusters of creative professionals that crop up in derelict urban areas to those that are enticed into relocating

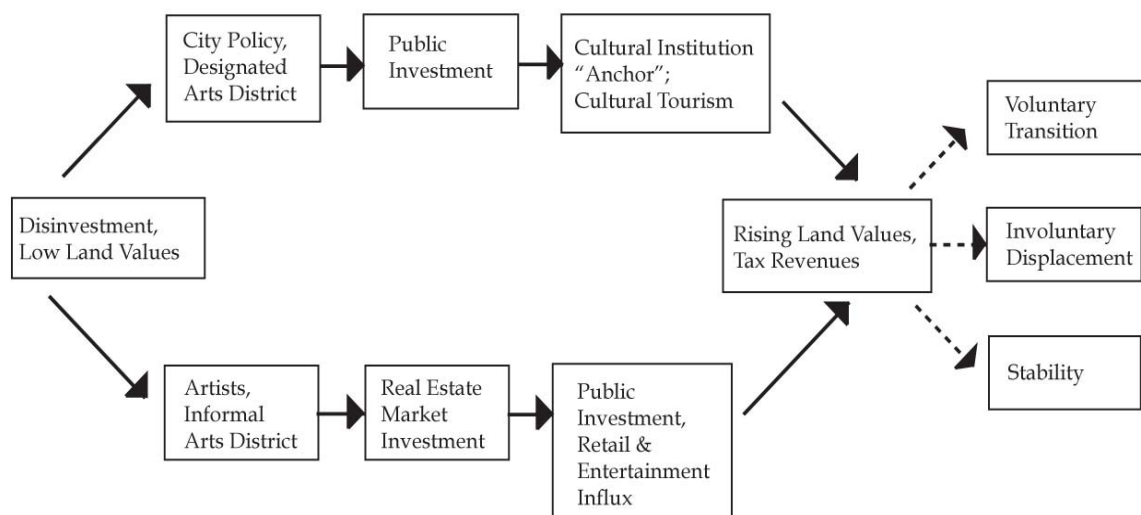
¹² Despite the fact that in the age of e-commerce and the internet an increasingly large amount of work is produced locally and sold globally, real space is still relevant if not increasing in importance.

to planned arts districts through planning and urban development mechanisms. In their study of arts districts, Berkeley's Center for Community Innovation (Wodsak et al 2008) identified two models for the evolution of arts districts: planned districts and unplanned districts (also referred to as the SoHo Model). Whereas both models are grounded in areas of disinvestment and low land values and eventually result in increased land values and tax revenues, planned arts districts depart from this initial stage through city policy in the form of a designated Arts District. Policy makers intend the designated area to experience increased public investment and will attract a cultural institution or "anchor" or some other form of investment such as cultural tourism.

In contrast to the Planned Arts District model, Unplanned Arts Districts start in neighborhoods of divestment and low land values and organically grow into informal arts districts

Two Models of the Arts and Neighborhood Change

1. Planned Arts District



2. Unplanned Arts District (SoHo Model)

FIGURE 1: The growth of Planned and Unplanned Arts Districts (Wodsak et al 2008).

(Wodsak et al 2008). Relying on social networking and word of mouth, a loosely defined area experiences increased real estate investment, often followed by increased public investment in the form of infrastructure or streetscape improvement. As the area experiences a subsequent influx of retail and entertainment venues, land value and tax revenue increase, just as in a planned arts district.

As a neighborhood of either model experiences rising property values and tax revenues, it can respond in one or any combination of three ways (Wodsak et al 2008). First, the neighborhood can experience a voluntary transition in which existing residents voluntarily sell their property and move to areas that are more suitable to their needs. Alternatively, residents within arts districts can experience involuntary displacement in which property taxes and other cost of living expenses increase so rapidly that residents are forced to move to more affordable areas. Finally, and from a planning and social justice standpoint the preferred option, is for a neighborhood within an arts district to reach a state of stability in which a neighborhood experiences equitable development, allowing longtime residents to reap the benefits of economic development and neighborhood improvement that occur as the result of an arts district.

TYPOLGY

The intent or goals of arts districts also varies highly, often depending on the type of product that is created within the arts district. While some arts districts are more grassroots in nature, focusing on folk-art or craft work, other arts districts often referred to as “creative production districts” (Johnson 2010) are highly design-oriented, populated by architectural firms or high-end fashion design.

	Type of Arts District				
	Arts Anchored Redevelopment District	Creative Production District	Artisan/Artist District	Neighborhood Arts District	Cultural Taxing District
Commonly Used Names	Mega arts district Culture-led revitalization	Design district Film district Cultural production district Art cultural quarters	Artist live/work Zone Gallery district	Natural cluster districts Organic districts Arts enterprise zone	Cultural assessment district
Planning Motivation	Revitalizing large sites of underused or vacant land	Adapting old warehouse and industrial buildings into contemporary uses	Supporting neighborhood change and creating regional activity centers	Revitalizing neighborhoods	N/A
Target	Original focus: Cultural Economy Expanded focus: Worker/resident attraction/retention	Original focus: Creative economy firms and industries Expanded focus: Creative economy workers and entrepreneurs	Original focus: Professional artists and hobbyists Expanded focus: N/A	Original focus: Neighborhood art businesses Expanded focus: N/A	Original focus: Residents/ regional visitors who likely use these services Expanded focus: N/A
Geographic Location	Downtowns, waterfronts, former industrial sites	Former industrial and manufacturing locations	Neighborhoods	Neighborhoods	City and/or Regional
Anchor	Yes: Large performance and visual art institutions	Maybe: Possibly a university or college with an renowned arts reputation	Unlikely	Somewhat: Possibly neighborhood anchors either arts groups or community leaders of district	No: N/A
District User/Use	Large traditional arts institutions and supportive development (hotels, restaurants, residences)	Design districts, incubators, co- share space, subsidized work space	Galleries Artist live/work Artist housing	Neighborhood artists and arts businesses; supportive businesses	N/A

TABLE 4: Typologies for Planned Arts Districts in the U.S. (Johnson 2010).

From a preservation perspective the creative industries and their production goals will be attracted to different areas and result in different levels and kinds of preservation. An arts district that focuses on community art initiatives, for example, might be grounded in a predominantly residential neighborhood, whereas a highly design-oriented creative production district will likely require larger amounts of space and might be concentrated in a more industrial or urban area so as to have proximity to urban infrastructure.

EXISTING ARTS DISTRICTS AND SITES: LESSONS LEARNED

Appendix D offers several illustrative examples of possible urban elements, evolutions, and typologies that can make up an arts district or site. The examples target projects that were preservation oriented and were developed in formal industrial cities.

Several themes present themselves in the illustrative examples. First, organically developed models, such as the Greenpoint Manufacturing and Design Firm, demonstrate that preservation is occurring in creative industry-focused ventures through both formal and informal means, even if the “preservationists” themselves do not consider it as such. While creative industry-oriented nonprofit developers are often limited in terms of their ability to pursue formal measures of preservation, their limited resources often result in preservation and appreciation of existing features of buildings by necessity.

Second, creative production sites and clusters such as Crane Arts in which there has been greater capital investment often have the opportunity to engage in more formal preservation activity with greater attention to preserving aesthetic elements of historic buildings. In such cases, preservation and historical significance has offered developers a competitive advantage over more generic studio space.

Third, in instances where more formal means of planning have been pursued the convergence of creative industry development and preservation initiatives can be a double-edged sword; districts with formal regulation and policy framework have the opportunity to financially incentivize both creative sector ventures and rehabilitation of the built environment in the hopes of stimulating both the growth of creative industries and meeting preservation initiatives. However, if improperly aligned, such programming can also impose too much regulation, effectively stifling the innovation of the creative professionals such programs aim to attract.

Finally, consideration of market forces is vital to the success of arts-based community revitalization strategies. Though it departs from traditional economic models in many ways, the creative sector remains a market driven industry and as such is subject to traditional laws of supply and demand. Ironically, the economic success of a creative production district can ultimately result in its high levels of physical preservation, while displacing a neighborhood's long standing communities. Hence the design of arts and preservation oriented policy must consider the needs of early adopters within the creative industries while also considering issues of long term social equity.

PART II:

5. HISTORIC PRESERVATION AND THE CREATIVE INDUSTRIES AS COMPLEMENTARY URBAN REVITALIZATION STRATEGIES: TWO BALTIMORE CASE STUDIES

There are a wide range of programs, sites, and districts in which preservation has been directly involved in the cultivation of creative production sites. For the purpose of this analysis, the focus will shift to the district scale, examining two Arts and Entertainment Districts in the city of Baltimore, Maryland. Maryland has proven to be an excellent case study for the interface of preservation and the creative industries, as both have been aggressively pursued through state legislature and accompanying incentive programs.

The two case studies, the Station North Arts and Entertainment District (Station North), and the Highlandtown Arts and Entertainment District (HA!) were chosen for several reasons. First, the two districts were respectively the first and second A&E districts in Maryland, allowing for an evaluation of how the districts have matured in the decade or so since designation. Second,

though they are two very different neighborhoods with distinct assets and histories, both are urban A&E districts with a mix of residential, industrial and commercial areas, and overlap with historic districts making them eligible for City, State, and National preservation incentives. The objective in these case studies is not to decide that one district is more favorable than the other; rather these case studies aim to evaluate the outcomes of two districts born of the same arts and preservation-based policies.

MARYLAND STATE: AN OVERVIEW

Maryland's Arts and Entertainment Districts

Maryland was the first state in the U.S. to develop arts and entertainment districts incentives on a statewide basis (Maryland State Arts Council 2010). The intent of the Maryland's Arts and Entertainment District Program (A&E) is to support diverse artistic and cultural centers in communities throughout Maryland that generate business, attract tourists, stimulate cultural development and foster a sense of civic pride. The legislation, passed in 2001, was intended to encourage the creation of hubs of cultural activity by offering tax incentives and other forms of aid to artists and arts-related activity that occur within a designated district. The A&E Program is administered by Maryland's Department of Business and Economic Development, and is primarily the responsibility of the Maryland State Arts Council (MSAC).

Maryland jurisdictions, neighborhoods, municipalities and counties are eligible to apply for A&E District designation. Districts receive designation for 10 years and may apply for expansion of district boundaries. Currently there are 19 designated arts and entertainment districts that span the state. A map of these districts has been provided in Appendix F.

The legislation associated with Maryland's Arts and Entertainment Districts created several different place-based incentives including income tax subtraction for artistic work sold by artists living within districts, property tax abatements for up to ten years for developers who renovate or construct space for artists and/or arts-related enterprises, and exemption from the admissions and amusement tax levied by an arts and entertainment enterprises or qualifying residing artists within a district. A copy of the legislation has been provided in Appendix F.

Maryland State Preservation Initiatives

Maryland's State Historic Preservation Office, the Maryland Historical Trust (MHT), administers the Maryland Inventory of Historic Properties, the Maryland and National Register of Historic Places, and federal and state Review and Compliance. It also offers assistance to local governments and community groups and administers various preservation incentives and manages easements.

MHT offers preservation-related financial assistance in the form of tax credits, grants, or loans. The state's preservation tax credit, the Maryland Sustainable Communities Tax Credit Program, provides a 20% credit for "certified historic structures" that are owner-occupied, single-family residences, 20% credit for "certified historic structures" that are commercial buildings (additional 5% credit can be awarded for high-performance commercial buildings defined as LEED Gold certified or the equivalent), and a 10% credit for non-historic, "qualified rehabilitated structures" (Maryland Historic Trust 2010). Homeowner applications are received throughout the year, while commercial applications must be submitted during a specific period, and are awarded on a competitive basis. The credit is also capped, varying from year to year based on state budget.

Analysis

A&E Districts are designed to capitalize on existing community resources, in particular the state's diverse population and strong traditions at the local level. According to Jesse Rye, Program Director of the Maryland State Arts Council, "Maryland really understands how valuable the arts are to communities both from an economic and social perspective. We understand that the arts provide jobs and make for great places to live" (Rye 2011).

The A&E program allows for flexibility in terms of the expectations placed upon an A&E district, requiring districts outline goals for the A&E district upon application. A state-wide survey of the districts shows that each community is different in what they hope to achieve through an A&E District; while some A&E districts are more grassroots in nature with an emphasis on folk-art and community development, such as the Frostburg and Cumberland A&E districts supported by the Allegany Arts Council, others focus their efforts on marketing art as part of high-end commercial districts, such as Bethesda and Silver Springs A&E Districts.

In theory, historic preservation activity and the creative ventures supported by A&E districts are complementary strategies for community development; as the Maryland Arts and Entertainment District Program and preservation policy at the local, state, and federal level are set up, the two strategies offer a community-based approach that prioritizes and builds upon existing assets. As Table 5 shows, A&E districts are co-located in either local or National Register historic districts, which has allowed them to capitalize on many of the formal benefits of historic district designation, in particular the Maryland State Historic Tax Credit. A cursory survey of the 19 A&E districts found that despite the availability of property tax incentives for A&E districts, it was state historic preservation tax credits that are most often pursued by developers for projects in districts.

Maryland Arts and Entertainment District	Located in a National Register or Local Historic District	Administered through local Main Street program	Used A&E Property Tax Credit	Used State Level Preservation-Related Grant Programs in 2008 or 2009
Annapolis (Anne Arundel County)	Yes	No	No	Yes
Berlin Arts and Entertainment District (Worcester County)	Yes	No	No	Yes
Bethesda Arts and Entertainment District (Montgomery County)	No	No	No	No
Cambridge Arts and Entertainment District (Dorchester County)	Yes	Yes	No	Yes
City of Frostburg - Mountain City Arts and Entertainment District (Allegany County)	Yes	No	No	Unknown
City of Salisbury (Wicomico County)	Yes	No, but in Main Street community	No	Yes
Cumberland Arts and Entertainment District (Allegany County)	Yes	No	No	Yes
Denton Arts and Entertainment District (Caroline County)	Yes	Yes	No	Yes
Downtown Frederick Arts and Entertainment District (Frederick County)	Yes	No	Yes, 1 project	Yes
Elkton Arts and Entertainment District (Cecil County)	Yes	Unknown	No	Yes
Gateway Arts District (Prince George's County)	Yes	No	No	Yes
Hagerstown Arts and Entertainment District (Washington County)	Yes	No	No	Yes
Havre de Grace (Harford County)	Yes	Yes	No	Yes
Highlandtown Arts and Entertainment District (Baltimore City)	Yes	Yes	No	Yes
Silver Spring Arts and Entertainment District (Montgomery County)	Yes	No	No	No
Snow Hill Arts and Entertainment District (Worcester County)	Yes	No	No	Yes
Station North Arts and Entertainment District (Baltimore City)	Yes	No (non-profit entity)	No	No
Town of Bel Air Arts and Entertainment District (Harford County)	Yes	Unknown	Unknown	Unknown
Wheaton Arts and Entertainment District (Montgomery County)	No?	Unknown	Unknown	No

TABLE 5: Maryland A&E Districts (Source: Maryland State Arts Council, interviews where available).

In addition to overlapping with local or National Register historic districts, many A&E districts are often partnered with or even administered through preservation-related economic development strategies or organizations such as Main Street programs. Similar to the “Design” principle of the Main Street four point approach, the uniformity of architecture inherent to a historic

district, as well as the presence of historic landmark buildings, have aided in the marketing and branding strategies of A&E districts. A&E districts have also received preservation funding to do preservation-related activities. A&E Districts across the state have received grants from state-wide agencies such as the Maryland Main Street Program and the Maryland Heritage Areas Authority, as well as preservation-based incentives at the local level, such as façade improvement programs, local Main Street grant programs. In 2008 and 2009 13 of 17 A&E Districts received some form of preservation-related funding (Maryland State Arts Council 2008; 2009).

BALTIMORE CITY: AN OVERVIEW

Founded in 1729 on the Chesapeake Bay, Baltimore has been a major hub of industrial development since the mid 19th Century (Marion 1983). The city's history as a port city, its connection to the Chesapeake Bay's fishing industry, extensive farmland in the surrounding countryside made it an ideal location for industry and a regional transportation hub.

As the manufacturing industry took off in the years following the Civil War, Baltimore experienced a population boom, growing from 169,000 in 1850 to 508, 957 by 1900 (City of Baltimore 2006, 34). This growth was accompanied by an expansion of Baltimore's physical infrastructure, including horse cars for urban transportation enabling the physical expansion of the city's boundaries, as well as the creation of the Baltimore City Water Works. In response to the population boom, and much like the nearby cities of Philadelphia and Boston, speculative builders met the need for worker housing, buying up land and constructing rowhouses. After a fire in 1904 destroyed most of Baltimore's downtown, there was a second surge in construction resulting in much of the architectural fabric seen in Baltimore today (Marion 1983).

In the decades following World War II, Baltimore spread past its city limits as the federal government subsidized development of the suburbs through the construction of interstates, and the city's industrial base sprawled into the neighboring suburbs (City of Baltimore 2006). The city experienced a significant population decline in the 1960s and 1970s, and urban blight set in, resulting in increased social strife, violence, drug abuse, poverty, and an underperforming education system.

Government officials made various attempts to reverse the urban trends of the second half of the 20th Century through urban redevelopment schemes and blight clearance programs (City of Baltimore 2006). The more successful efforts were targeted at the Inner Harbor, which has been developed as a compilation of institutions and commercial enterprises including the National Aquarium, the Power Plant, the Gallery, the Hyatt Regency Hotel, the Maryland Science Center, Rash Field, and Harbor Place Mall.

Since 1999 the City of Baltimore has taken especially aggressive measures to reverse its negative urban trends. Through the implementation of increased drug treatment and health care, youth intervention programs and educational reform, and increased policing measures (City of Baltimore 2006). These measures have done a great deal to slow the reverse the trends of Baltimore, positioning it as a place to experience great growth in the coming years.

Preservation in Baltimore

In response to the creation of the Mount Vernon local historic district, the Commission for Historical and Architectural Preservation (CHAP) was created in 1964 to administer design review for the district (City of Baltimore 2006). Concurrent with the creation of CHAP was the Mount Vernon Urban Renewal Ordinance, the first of its kind written to restore, not demolish the historic

mansions that made up the area. Today, Baltimore has 70 Local and National Register Historic Districts, and nearly 56,000 structures listed on local and national registers (City of Baltimore 2010).

In addition to CHAP, which functions largely as the regulatory preservation agency in Baltimore, Baltimore Heritage functions as the advocacy body, augmenting preservation initiatives in the city. Founded in 1960, Baltimore Heritage is an architectural preservation nonprofit that (Baltimore Heritage 2011) preserves and promotes Baltimore's historic resources.

Local Tax Incentives for Historic Landmarks and Districts

Much like the State of Maryland, the City of Baltimore has created a comprehensive tax incentive intended to encourage property owners to complete substantive rehabilitation projects on historic buildings. Baltimore currently offers the Property Tax Credit for Historic Restorations and Rehabilitations, a city-wide property tax incentive for individually landmarked properties and properties located in the city's historic districts at both the local and national levels (City of Baltimore 2010). The credit is available for both residential and commercial properties, and can be used for interior or exterior renovations. The credit can be applied on "the increased assessment directly resulting from qualifying improvements," and is fully transferable.

CHAP has tracked the usage of the city credit since it was created in 2000, recording the amount of investment the credit has generated city wide as well as the types of projects the credit has been used to complete. According to CHAP since 2000 the credit has resulted in \$460 Million in investment in historic properties through completed projects, and is expected to generate another \$600 million in investment upon completion of the 800 city-wide restorations currently in progress (City of Baltimore 2010).

Arts and the Creative Industry in Baltimore

Baltimore's vibrant arts scene includes higher institutions and museums that are complimented by a healthy alternative arts scene, galleries and performance venues. It was named by Rolling Stone Magazine "Best Scene" in their April, 2008 Best of Rock Issue (Serpick 2008).

A 2007 study by Markusen shows that Baltimore has a relatively high concentration of artists in comparison to the 29 largest metro areas in the U.S.

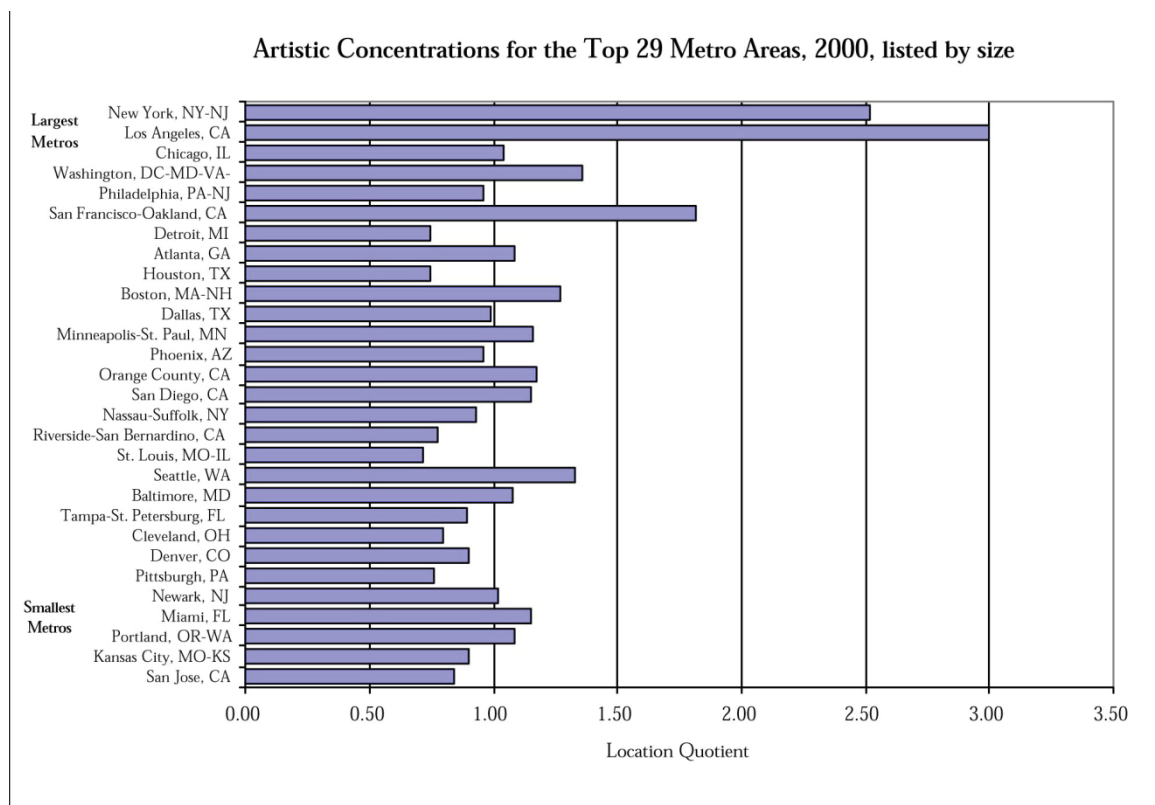


FIGURE 2: Artistic concentrations by metro area, 2000. (Markusen 2004, 7)

The study used location quotients to determine the concentration of artists in a given metropolitan area. Baltimore had a location quotient of greater than 1, positioning it as above the national average, and in the top half of the 29 largest U.S. metro areas.

Baltimore benefits from the presence of major educational and research institutions including Johns Hopkins University, the University of Maryland, and the Maryland Institute College Art. As well as leading arts and cultural institutions including the Walters Art Museum and the National Aquarium, the most visited tourist destination in Maryland. It is also the site of numerous arts-related community events such as Artscape, a city-wide arts festival, and encourages public art through the implementation of programs such as the Baltimore Sculpture Project, and the 1% for-Public-Art program which It supports local artists and promotes an awareness of the visual arts (Baltimore Office of Promotion of the Arts 2011). Overall, Baltimore's educated population, ethnic diversity, and existing infrastructure and proximity to regional hubs such as Washington D.C., Philadelphia, and New York City, and its concentration of creative industries, particularly the performing arts, positions it a city with the ability to foster a creative community (Ack and Megyesi 2006).

6. CASE STUDY I: STATION NORTH

Located just north of the Baltimore's Penn Station, Station North comprises an area in midtown Baltimore that is gaining momentum as a hotspot of arts and cultural activities. Concentrated along North Avenue between Greenmount Avenue and Howard Streets, the Station North area has experienced severe economic depression, drug problems and high levels of vacancy since the 1960s. Today, the neighborhood is experiencing a renaissance largely as a result of arts-based revitalization.

STUDY AREA PROFILE

In 1880 the area now known as Station North was opened to development by the construction of bridges over Jones Falls at Calvert Street and Guilford Avenue (New Greenmount West Community Association 2010). Over the next decade, the area grew as a hotspot for Baltimore's emerging upper-middle class, resulting in the construction of the many architecturally

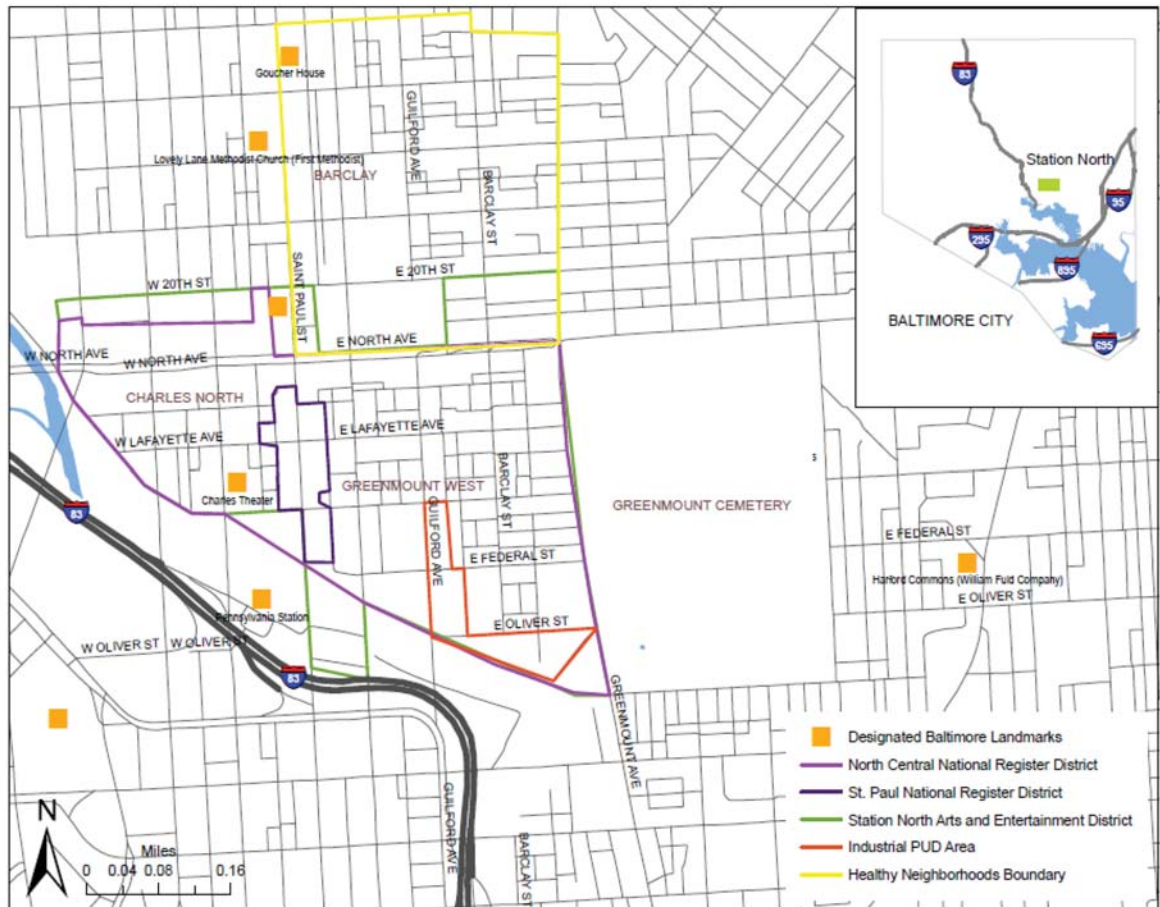


FIGURE 3: The Station North Study Area. *Map created by the author. Data source: data.baltimore.gov.*

significant houses seen in the neighborhood today. Around this same time North Avenue developed as a popular commercial shopping area.

The neighborhoods of that make up the area now recognized as Station North include Greenmount West, Charles North, and Barclay. The neighborhoods developed on the border of the Greenmount Cemetery, which was designed by Benjamin Latrobe and was used as passive recreational space by affluent residents of Baltimore (Marion 1983). Though the most architecturally significant and recognizable aspect of the cemetery, a Gothic-style gatehouse, directly borders the edge of the Greenmount West neighborhood, there is relatively little connection

between the cemetery and contemporary residents of Greenmount West, Charles North, and Barclay neighborhoods.

The Station North area was historically a mixed use neighborhood; in addition to being the site of upper-middle class housing in Baltimore, the east side of the Greenmount West neighborhood was the site of light industrial development towards the end of the nineteenth century. Industry in the neighborhood was driven by the Crown, Cork and Seal manufacturing plant, which later became the Lebow Clothing Plant. The employees of these factories lived in nearby two-story rowhomes and alley houses that remain in the study area today (New Greenmount West Community Association 2010).

In the mid-twentieth century Greenmount West's industrial base began to decline, leaving many working class residents of the neighborhood unemployed. Middle class residents of the neighborhood were drawn further into the suburbs of Baltimore to escape the perceived ills of city living, and their large city homes were divided into multi-unit apartments to increase affordability (New Greenmount West Community Association 2010).

The dispersal of the commercial and industrial base that supported the neighborhood's economic vitality triggered a downward spiral for the Greenmount West, Charles North, and Barclay neighborhoods. In the 1980s the area experienced widespread demolition as part of Baltimore's blight clearance program. This did little to improve conditions in the neighborhood, and city officials continued to pour resources into the area in an effort to reverse the negative social and economic trends over the next two decades.

Population, Demographics, and Economy

Today the study area, including portions of the Greenmount West, Barclay, and Charles North neighborhoods, has a population of approximately 2,500 people. The neighborhood is approximately 65% Black or African American, according to the 2009 American Community Survey. The area remains a low-income neighborhood; the median income for the study area was \$29,814 and a staggering 94% of the population in the study area was determined to be living in poverty (U.S. Census Bureau 2000; 2009).

In 2009 nearly 40% of the study area's 1200 housing units were vacant. Within occupied housing units, approximately half were owner-occupied (U.S. Census Bureau 2000; 2009). The business mix within the neighborhood is characterized by convenience stores and fast food restaurants juxtaposed by longstanding small businesses and restaurants.

The Urban Environment in Station North

Despite extreme amounts of vacancy and poverty, the Station North study area has retained the physical components of a healthy urban environment, comprised of a light industrial area now converted into an artist live/work district, a commercial corridor, and a dense residential area characterized by two- and three-story rowhouse development. North Avenue functions as the major east-west axis of activity within the neighborhood, as well as a city-wide access point to I-83. Charles Street functions as the major north-south axis, characterized by the area's most concentrated commercial corridor.

Located in close proximity to Baltimore's Central Business District, Station North is strategically situated at the intersection of major corridors including North Avenue, Calvert Street and Guilford Avenue that serve as city-wide transit hubs. The area's history as a neighborhood



FIGURE 4: Charles Street commercial corridor. A south facing view of the Charles Avenue North commercial corridor including the Charles Theater, Tapas Teatro, and the Everyman Theater. Note the area's proximity to downtown Baltimore, seen in the background. *Photograph by the author.*

that developed in response to the Calvert Street and Guilford Avenue bridges make it inherently connected to downtown and greater Baltimore by foot and transit. Baltimore's Pennsylvania Station, located within the district, also connects it regionally. The Station North headquarters, located on North Avenue, achieved a Walk Score of 92 out of 100, and a transit score of 93 out of 100, compared to the city-wide average of 67 out of 100 for Baltimore (Walkscore 2011). The "Charles Village" neighborhood received a score of 88, ranking it sixth city-wide¹³.

Though residents of the neighborhoods within Station North historically used Greenmount Cemetery for recreational purposes, the neighborhood today has little connection to the cemetery.

¹³ Please refer to Appendix H for figure ground, amenity, and Walkscore maps of Station North.

There are several pocket parks, including one rather large community vegetable garden, within the neighborhood that are maintained by neighborhood organizations.

Existing Planning Strategies

Station North is subject to several different districting and planning strategies. Currently the area is the site of a Maryland Arts and Entertainment District (Station North), two National Register Districts, a Baltimore Healthy Neighborhoods Community, and the Greenmount West Arts and Entertainment District Planned Unit Development (PUD). The area is also a Baltimore City Enterprise Zone.

HISTORIC PRESERVATION ENVIRONMENT

Historic Assets

In keeping with its development as a mixed-use suburban development of Baltimore, Station North is comprised of two- and three-story rowhouses, a commercial corridor, churches and schools, and several light industrial buildings. Despite a loss of some of its architectural fabric, the area retains a high degree of historic integrity and is the site of two National Register Historic Districts.¹⁴

The larger of the two districts, North Central Historic District within Station North is significant for its social and urbanistic patterns that shaped Baltimore's development in the late 19th Century (Maryland Historic Trust 2002). These development patterns, typical of the area's period of significance (1875-1949) resulted in a mixed-use urban neighborhood, comprised of

¹⁴ Please refer to Appendix G for the Maryland Historic Trust's descriptions of the districts and their significance.

rowhouses linked to commercial corridors and industrial complexes. Architecturally speaking, it exhibits a range of styles including Queen Anne, Romanesque, Neo-classical, Spanish Revival and Modern seen in its rowhouses and industrial buildings. The district's social and cultural significance lies in its association with businesses and industries that were influential both in Baltimore and at the national level. Additionally, the North Central Historic District is significant as a reflection of the migration of wealthy Baltimoreans from downtown to the northern Baltimore suburbs.

The second National Register Historic District within the study area is the St. Paul Street Historic District. The smaller of the two historic districts, the St. Paul Street Historic District is located within the larger boundaries of the North Central Historic District. The Saint Paul Street Historic District became a National Register Historic District in 2002 (Maryland Historic Trust 2002). It is comprised of a distinctive collection of rowhouses exhibiting a high degree of integrity that were constructed between 1876 and 1906 by prominent Baltimore developers, Hiram Woods, Benjamin Bennet, and Oscar F. Bresee. The rowhouse development was enabled by the construction of large bridges over Jones Falls, enabling construction of the ornate rowhouses for Baltimore's elite populations. In contrast to the majority of rowhouses in the North Central Historic district, which were constructed largely as worker housing in an unadorned and repetitious fashion, the Saint Paul Street rowhouses feature a high degree of architectural ornamentation.

CREATIVE INDUSTRY ENVIRONMENT

The genesis of Station North as a creative production district lies in the eastern quadrant of the district, where the industrial buildings are located. These buildings, now known as the Copy



FIGURE 5: The Copy Cat Building. Artistic production in Station North is concentrated in former industrial buildings that have since been converted to artist live/work space. The Copy Cat Building, pictured here, was one of the first sites of such conversion efforts in the district. *Photograph by the author.*

Cat Building, Area 405, the Cork Factory, and the Oliver Street building, have been used as artist housing (with varying degrees of legality) since the 1970s.

Creative industry activity in Station North is largely focused on the visual, musical, and performing arts. The creative community in Station North has the luxury of two major anchor institutions with vested interest in the neighborhood, the Maryland Institute College of Art (MICA) and the Station North Arts & Entertainment, Inc. Additionally there are several long standing businesses in the neighborhood that serve as the anchor of consumption, performance and exhibition space within the district including the Charles Theater, the Everyman Theater and Tapas Teatro.



FIGURE 6: A row of vacant worker housing along Oliver Street. The Copy Cat and Cork Factory buildings can be seen in the background, as well as the building that is the future site of the art and design-based Baltimore public school, FAB: Fashion, Architecture and Basic Design Middle and High. *Photograph by the author.*

The gradual and organic development of the creative community in Station North has resulted in distinct production and consumption zones, as well as an intermediate buffer of residential space. Production is concentrated in the former industrial area of the study area near Guilford Avenue and Federal Streets. Production spaces in the study area include the Copy Cat, Area 405, Cork Factory, and Oliver Street buildings. In close proximity to these buildings is the Baltimore Montessori Public Charter School, which opened in 2008. Additionally, a long-vacant industrial warehouse adjacent to the Cork Factory is currently being remodeled as the future site of the art and design-based Baltimore public school, FAB: Fashion, Architecture and Basic Design Middle and High.

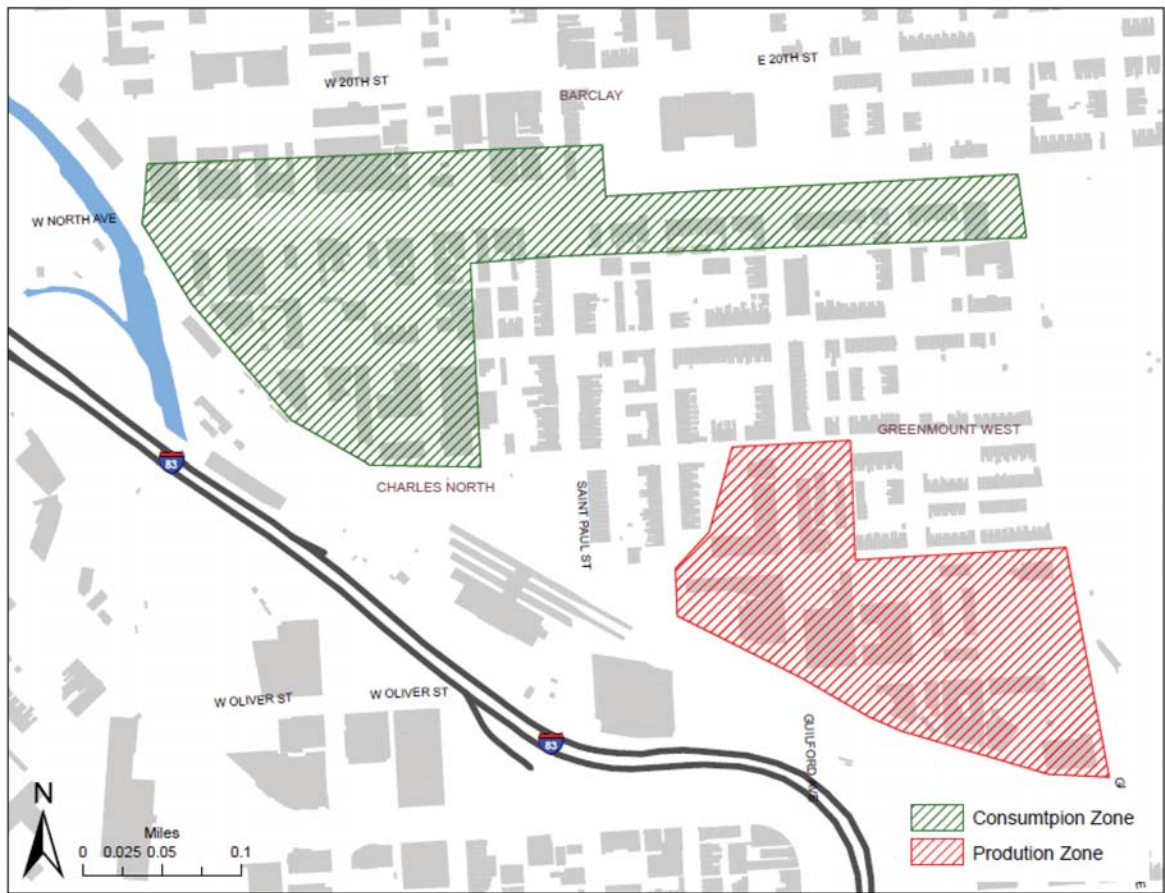


FIGURE 7: Production and consumption zones within Station North. *Map created by the author. Data source: data.baltimorecity.gov*

Consumption space is concentrated in the commercial corridor found along Charles Street and North Avenue, and includes a mix of performance space, such as the Charles Theater and Everyman Theater, gallery space such as Metro Gallery, Loads of Fun Gallery, and Wham City, as well as restaurants that display artwork and businesses that cater to artists. The residential buffer zone between the consumption and production zones of the district is the home of the Schuler School of Fine Arts, as well as studio spaces for MICA students. The location of the buffer zone

prevents competition between resident artists and outside audiences for parking and other neighborhood amenities.

Station North Arts and Entertainment District

Station North Arts and Entertainment District was the first A&E district in Maryland, designated in 2002. The district is approximately 100 acres in size and was established in an effort

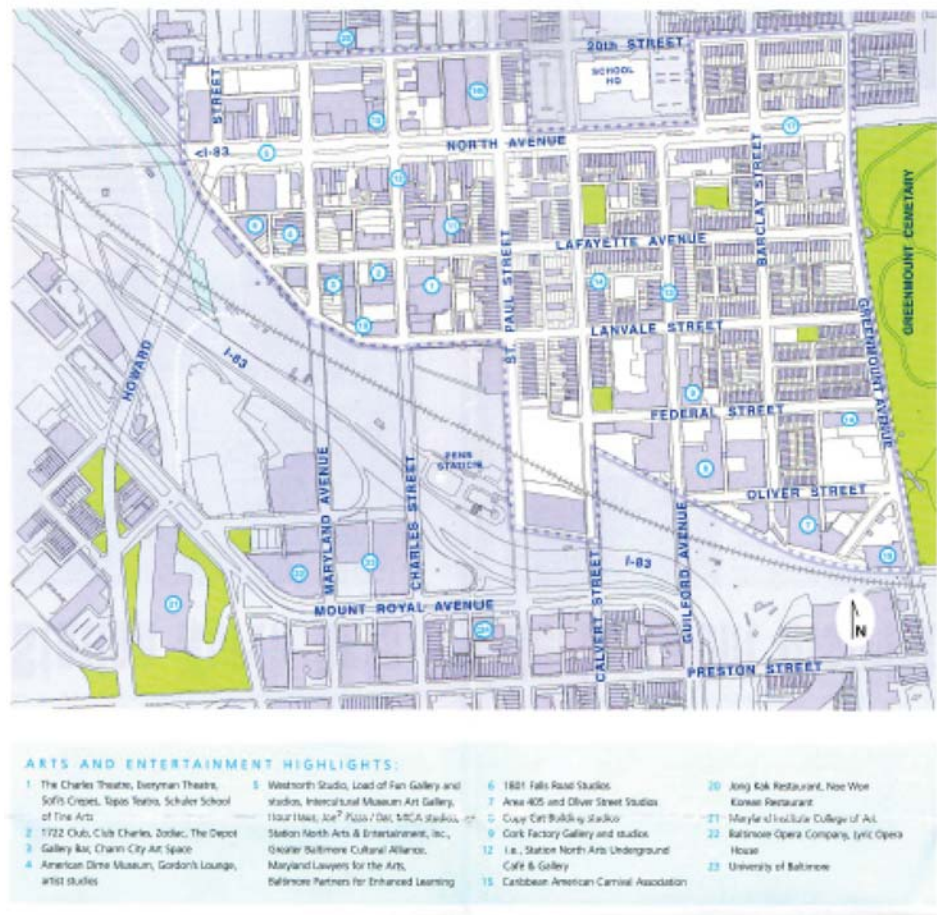


FIGURE 8: Station North Arts and Entertainment District Highlights. *Source: Station North Arts and Entertainment Inc. 2010.*

to encourage centralized business and economic development specific to the arts in midtown Baltimore. While the district seeks to attract more artists to the neighborhood, it also draws non-artist audiences from across Baltimore and the region to its alternative arts scene.

Goals

In creating the arts and entertainment district, the leaders of Station North took into account the existing artist community in Station North, as well as the neighborhood's broader cultural assets and economic situation. Station North's mission statement is the following:

By promoting and supporting artists and cultural organizations in the District, the Station North Arts & Entertainment District seeks to create a vibrant neighborhood where arts, artists and entertainment venues flourish in the midst an economically diverse community with an abundance of healthy residential, retail and commercial offerings (Station North Arts and Entertainment Inc. 2010, n.p.).

The mission statement is complemented by Station North's Vision Statement, which states:

The vision of the Station North District is to use the arts wherever possible to gain a foothold toward widening perspectives and fostering a sense of empowerment in the area, and this will be especially true in our residential areas. Our activities will aim for a goal of collaboration with existing residents toward the development of a population that is boldly and vividly multicultural. Artists will be invited from a variety of cultures to create murals, parks, and other public works that invite clear, unequivocal statements of political and cultural identity for many groups (Station North Arts and Entertainment Inc. 2001, 4).

The mission statement of Station North stresses the development of the arts community as well as capacity building for artists, while the vision statement incorporates more notions of community collaboration with artists.

The Station North designation proposal also specifically sites the existing artist community and its divide between consumption and production spaces as something to preserve and even augment (Station North 2001, 4-5). In short, by building on the existing arts community in

combination with a culturally diverse residential population Station North sought to accentuate assets already present in the neighborhood.

Additionally, in an interview with Station North's Executive Direct, David Bielenberg, it was suggested that in addition to trying to entice artists and musicians to move into the district, one of the district's larger goals was to encourage artists to become property owners. It was hoped that the combination of rehabilitation tax credits and the A&E property tax abatement incentives would help to achieve this goal (Bielenberg 2011).

Organizational Structure

The flexibility of the Maryland Arts and Entertainment program enables the organizational structure of A&E districts to vary. Station North is managed by the Station North Arts & Entertainment, Inc. nonprofit which secures its own funding through donations from the National Endowment for the Arts, the William G. Baker Jr. Memorial Fund, the France-Merrick Foundation, the Goldseker Foundation, and the Lockhard Vaughan Foundation and others (Station North Arts and Entertainment Inc. 2010).

Station North Arts & Entertainment, Inc. has an executive director as well as a governing board composed of representatives from city government, the "Station North" community, and nearby institutions and organizations. Key parties with vested interested in the arts, arts and entertainment district, neighborhood revitalization in Station North include the Charles North Community Association, the New Greenmount West Community Association, the Midtown Community Benefits District, MICA, Jubilee Baltimore, and the Baltimore Development Corp (Station North Arts and Entertainment Inc. 2001).

Outcome

As of 2010 there are no known uses of the A&E program incentives within Station North. With community informants revealed that the incentives do not fit the needs of artists working in the community (Belienberg 2011; Dodds 2011; Foote 2011). Furthermore, many artists are not aware of the existence of the A&E district incentives, despite available promotional literature explaining the credits.

Since district designation in 2002, the neighborhood has experienced an influx of private investment, and even some new development projects. Despite the housing crisis, average home values have increased since 2002 (Live Baltimore Home Center 2010). Additionally there have been 33 federal historic tax credits projects, and 67 applications with eight certified Baltimore City historic tax credit projects in the district since 2002 (Montgomery 2011; City of Baltimore 2010; National Park Service 2010).

For the most part, A&E designation has provided a marketing and promotional tool to draw artists and audiences to Station North. District designation has helped to unite the artist community within the district which has resulted in collaboration, as well as greater outreach efforts; Station North hosts spring and fall music festivals, a monthly Second Saturday event and other arts festivals.

Additionally, A&E district designation has helped to increase communication between various community groups. The availability of small businesses that support the arts and the mission of Station North has also helped to develop social networks; an group of Station North and Charles North business owners meets every Thursday at Joe Squared Pizza on North Avenue, to talk about the neighborhood and how they can work together to improve it (Dickinson 2007).

Overall, Station North fits the typology of an Arts District with some characteristics of a Creative Production District. Station North's mission and vision characterize it as an Arts District, with a planning motivation of supporting neighborhood change and creating a regional activity center, a focus on professional artists and the presence of galleries, artist live/work and housing. It also shows some characteristics of a Creative Production District, seen in its secondary planning motivation to adapt industrial buildings for contemporary use and its location in a former industrial area, as well as its anchor, MICA.

Gentrification

As the neighborhood continues to improve, gentrification is an important issue to consider for leaders of the Station North community. The neighborhood's high levels of poverty put its current residents, including existing artist communities, at great risk for being forced out of the area as rent and property values increase. The issue of housing affordability is currently being addressed by the New Greenmount West Neighborhood Association in partnership with the City of Baltimore and other community interests such as Jubilee Baltimore and the Baltimore Development Corporation (New Greenmount West Neighborhood Association 2010).

To combat this situation Jubilee Baltimore in partnership with Homes for America and The Reinvestment Fund Development Partners developed City Arts Apartments, a permanently affordable artist live/work community (City Arts Apartments 2010) on Oliver Street. City Arts Apartments follows the model for affordable artist housing created by Art Space and features a ground level gallery and performance space as well as apartments and live/work space units (Foote 2011).



FIGURE 9: The small business mix found within the North Charles Street commercial corridor. The Strand Theater, pictured at center, is a nonprofit theater owned and operated by a local playwright and director. To its right is the Bohemian Café, which features the work of local artists and serves as a small performance venue. Both the Strand Theater and the Bohemian Café cater to the local artist community and were drawn to Station North shortly after it became an A&E district. *Photograph by the author.*

EVALUATION OF PRESERVATION AND CREATIVE INDUSTRY ACTIVITY

Strengths

Multiple anchors: Station North is fortunate to have several anchors with long-term interest in the neighborhood. The presence of MICA in the district is a particular asset to the neighborhood as it not only provides a loyal artist talent pool for the arts district, but as an educational institution is unlikely to move out of the neighborhood and leave a void in its place.

A business and retail mix that is supportive of artistic activity: Station North's many longstanding small businesses are supportive of the arts community in that many offer a place to display artists'

work, but also distinctive places for artists to gather and socialize. Additionally, the co-location of performance venues, clubs, and restaurants within a two block radius of the commercial corridor provides a full entertainment package for Station North's audiences. The appeal of the commercial corridor creates animation within the district during the day and night.

Co-location/connectivity within the district: Station North has ample production and consumption space to support the creative activities of its artistic community. Furthermore, the distinct production and consumption zones minimize competition between artists, residents, and audiences for amenities. The distinction between production and consumption zones is visually apparent through a difference in building stock; consumption zones are concentrated in commercial buildings, production zones are concentrated in the industrial buildings, and the zones are linked by the rowhouse residential buffer zone.

Accessibility: Station North is accessible at several scales and via multiple modes of transportation. Its proximity to I-83 and Penn Station offer regional connectivity, and its bridges, extensive sidewalk and bike lane network make it pedestrian and transit friendly. The district itself is walkable and it is well connected to downtown Baltimore.

Proximity to other cultural resources in the city: Station North's proximity to other cultural quarters in the city, including the Mt. Vernon cultural district and renowned arts institutions such as the Walters, provide resources for the artistic population within Station North and position the arts district as a portal to Baltimore's larger arts and culture scene.

Weaknesses

Lack of incentive use: Station North specifically cited its plans to use A&E tax incentives and historic preservation incentives in its application for A&E status (Station North Arts and

Entertainment Inc. 2001, 4), yet there remains a lack of credit use. As such available tax incentives remain an untapped resource for further neighborhood revitalization.

Vacant lots and buildings: Station North continues to experience the presence of vacant lots as well as high levels of vacancy within its existing building stock. The neighborhood's vacant lots, many of which were cleared in the 1980s during blight clearance, detract from the cohesive feeling of a district otherwise characterized by continuous blocks of rowhouses and urban development.

The vacant lots in the district are compounded by the high levels of vacancy within extant building stock. Even along St. Charles Street's lively commercial corridor, there is a great deal of second story vacancy. Vacancy also functions as a barrier to infill housing as potential developers are reluctant to invest in an area that seems to lack the population to fill existing building stock.

Speculative property ownership: the speculative purchase of buildings in Station North has created an unnecessary strain on housing availability for artists and other potential new residents looking for affordable housing. The resulting increase in housing prices, both for potential owners and renters, feeds the threat of gentrification in the area.

Lack of streetscaping on North Avenue: though several of Station North's more prominent galleries and performance spaces are located on Northern Avenue, the street is oriented to car traffic, making it a hostile environment for pedestrians and severing the venues on the north side of North Avenue from those on the south side. Several lanes of relatively high speed traffic going in each direction also make North Avenue intimidating to cross for the average pedestrian. Slowing traffic, and the addition of well designed streetscaping, including more plantings, benches and removal of some parking, could make Northern avenue seem more pedestrian friendly and reconnect the venues on the north side of the street to the rest of the district.



FIGURE 10: A view of North Avenue facing east. As a major transit corridor within Baltimore, as well as a connecting street to I-83, North Avenue is designed to accommodate high traffic volume. As a result it is not a pedestrian friendly street and severs those galleries and performance venues located on the north side of the avenue from the rest of the Station North A&E district. *Photograph by the author.*

Perceptions of being an unsafe neighborhood: While the Station North neighborhood has improved its public image through marketing itself as an arts district, the area's image as blighted and crime-ridden neighborhood has lingered in the mind of many potential audience members. Continued promotion and marketing of the neighborhood as a culturally vibrant place will hopefully reverse this image in time. Moving anchors- The recent decision of the Everyman Theater to move to Baltimore's West Side neighborhood shows that anchors can, and do, move out of arts districts from time to time. Station North is fortunate to have several anchors, however, it is important that the neighborhood does not take any single anchor for granted.

Conclusion

Though Station North was described as the “dark horse” candidate at time of application in 2001, the dedication of its anchor institutions and growing artist community has resulted in positive neighborhood revitalization (Bielenberg 2011; Dodds 2011). At the time of designation, Station North highlighted its strengths, calling itself a “community in waiting” and an ideal slate on which to draw an arts and entertainment district. Its strengths are found in an amazing mixture of commercial and cultural resources already located within its boundaries” (Station North Arts and Entertainment Inc. 2001, 6)

The downward spiral resulting from urban blight in the second half of the 20th Century positioned the neighborhood that has become Station North as “tabula rasa”. Widespread poverty, crime, drug abuse and vacancy destroyed much of what was historically a vibrant neighborhood, and as a result, the City of Baltimore was willing to invest resources and manpower into turning it around. What Station North lacked in social capital it made up for in building stock; the presence of viable infrastructure, proximity to downtown Baltimore, and anchor institutions and individuals willing to reinvest in that infrastructure made revitalization possible in an otherwise blighted neighborhood.

As distinct creative community within Baltimore, Station North capitalizes on what it refers to as the “vintage appeal” of its historic building stock found in the unique architecture of the neighborhood (Station North Plan). This appeal is not unfounded, as Station North has the luxury of offering distinctive architecture adding differing aesthetics in its respective commercial, residential and industrial zones. In fact it is this architecture that enabled the neighborhood to be designated a historic district even prior to its designation as an arts district. These elements of the

historic built environment have contributed to the character-rich nature of Station North, enabling it to market itself as a distinct place for artists to live and work.

Station North also highlights the importance of adequate production and consumption space as components of successful arts districts. Says Fred Lazarus, President of MICA, “Young artists can work on the micro-level, bringing energy and dynamism through festivals, music events and showcasing their work, but in order to do that, a gallery has to be there” (Serazio 2010, np). For Station North, the most effective way of doing so has been through the preservation of Station North’s historic industrial area, now artist live/work space and studio space, and its commercial corridor. The co-location of contemporary production and consumption space in what was historically production and consumption space is key to the success of Station North as an arts district, and more broadly as an urban regeneration tool.

7. CASE STUDYII: HIGHLANDTOWN

Highlandtown is a transitional neighborhood in southeast Baltimore centered around the Eastern Avenue commercial corridor, a major thoroughfare in and out of the city. A neighborhood characterized by dense rowhouse development, Highlandtown retains its ties to its roots as one of Baltimore's earliest ethnic enclaves, as well as its history as a mid-20th century shopping district and light industrial area. The neighborhood is bordered by Patterson Park, a large public park that served as a defensive outpost during the War of 1812. Though the neighborhood lacks the presence of large amounts of capital investment, on the whole Highlandtown is a neighborhood experiencing positive growth.

STUDY AREA PROFILE

The area now recognized as Highlandtown was formally incorporated into the City of Baltimore in 1918 when the city annexed nearby townships, effectively tripling in size (Marion1983).

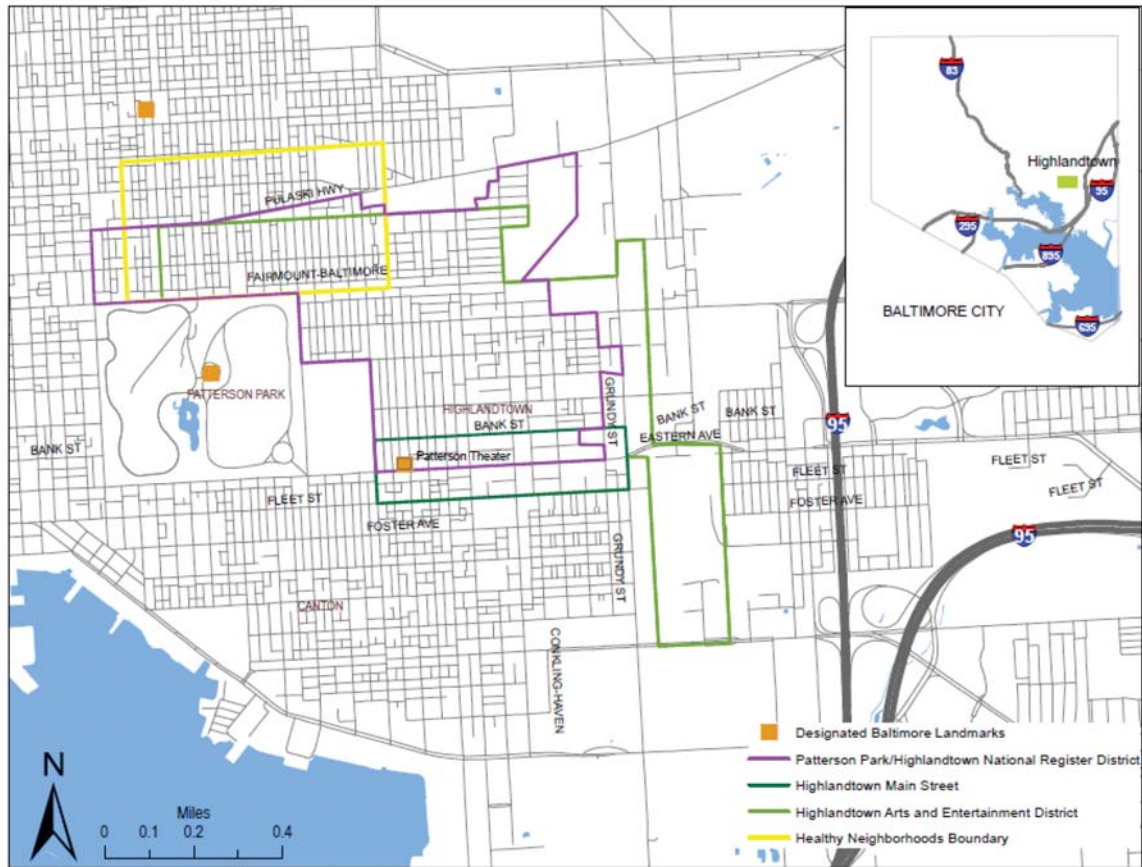


FIGURE 11: The Highlandtown study area. *Map created by the author. Data source: data.baltimore.gov.*

Throughout the 1920s Highlandtown grew as a major commercial shopping district. Though the district lacked a formal marketplace, goods were sold along the neighborhood's major thoroughfares from carts and trucks, which were quickly followed by the construction of storefronts that are today seen along Eastern and Conkling Avenue. The construction of nearby rail lines also made it an ideal area for industry; slaughter houses were constructed nearby as was the Crown Cork and Seal factory complex (Marion 1983).

Shopping and entertainment venues continued to grow in Highlandtown until the 1960s. With the opening of Baltimore's Eastpoint Mall, like many other downtown commercial corridors in the U.S., the Eastern Avenue commercial corridor experienced an outward migration of its

consumer base, and Highlandtown's commercial corridor was forced to switch markets to serve lower income customers. The decline continued throughout the 1970s as the neighborhood experiences divestment and outright abandonment of many homes and properties. The downturn reached an all-time low in the 1990s when nearby public housing was shut down without any form of a relocation plan for residents (Southeast CDC 2010).

Fortunately, since the mid-1990s various planning and economic strategies as well as non-profit activity and community-led regeneration has focused on turning the Highlandtown neighborhood around. Today, Highlandtown is experiencing a renaissance, as a result of a population influx, as well as a renewed communal appreciation of the cultural diversity and ethnic traditions and that make it unique.

Population, Demographics, Economy

Today the study area, which includes the Highlandtown neighborhood as well as parts of the Patterson Park neighborhood and portions of Brewer's Hill, Canton, and Linwood has a population of approximately 17,000 people. Historically a neighborhood of Italian, German, Polish, and Greek immigrants, Highlandtown is known in Baltimore for being one of the city's original ethnic enclaves. Today the neighborhood has retained its European heritage while also becoming the home of new ethnic populations, including Latino, African, and Balkan communities. The influx of Hispanic/Latino populations has made a particularly large impact on the neighborhood, growing from just under 7% in 2000 to more than 17% in 2009 (U.S. Census 2000; American Community Survey 2009). Highlandtown remains a largely working-class neighborhood, with a median household income of approximately \$45,000. A little more than 15% of the Highlandtown neighborhood is currently living in poverty.



FIGURE 12: An elevated view of Eastern Avenue facing west and overlooking the neighborhood's active commercial corridor and Patterson Park. Eastern Avenue functions as a thoroughfare in and out of Baltimore City. Its proximity to downtown Baltimore and other urban amenities positions it as a neighborhood with great development potential. *Source: Highlandtown Main Street.*

In 2009 there was a 75% occupancy rate in Highlandtown's 8,000 housing units, approximately 60% of which were owner-occupied. The neighborhood retains a small business mix that serves mainly lower income populations. In recent years, the neighborhood has experienced an influx of several chain businesses as well as independent and destination

businesses drawn to the Eastern Avenue commercial corridor by high levels of pedestrian and vehicular traffic.

The Urban Environment in Highlandtown

An examination of Highlandtown's "D-Variables" reveals that the study area functions well as an urban system. A figure-ground map of southeast Baltimore shows that Highlandtown and surrounding neighborhoods are characterized by a dense urban street grid network with Eastern Avenue and Conkling Avenue functioning as the axes of commercial activity¹⁵. In keeping with the historical tradition of the neighborhood, there is a mix of retail along the commercial corridors, nearby residential space, and industrial areas with access to transportation infrastructure. Patterson Park provides open space for recreation and community activity for the neighborhood.

Though the neighborhood currently experiences a great deal of automobile traffic, Highlandtown is pedestrian oriented; with the exception of several parking lots, both commercial and residential areas have very little building setbacks and feature wide sidewalks. The neighborhood is navigable by foot, and is well linked to Baltimore's transit network and bike lanes. According to Walk Score the Creative Alliance at the Patterson was achieved a Walk Score of 92 out of 100 , compared to an average of 67 out of 100 for the City of Baltimore (Walk Score 2011). Highlandtown neighborhood as a whole received an 81, ranking it 12th city-wide.

Existing Planning Strategies

The Highlandtown neighborhood is subject to several different districting and planning strategies, each with its own focus and goals. Currently Highlandtown is the site of a Maryland

¹⁵ Please refer to Appendix I for figure ground, amenity, and Walkscore maps of Highlandtown.

Arts and Entertainment District, a National Register District, a Baltimore Main Street Community, and a Baltimore Healthy Neighborhoods Community. Additionally, the area is the site of the Highlandtown Retail Business District License Area, managed by the Baltimore Development Corporation, and part of the district falls within a Baltimore City Enterprise Zone.

HISTORIC PRESERVATION ENVIRONMENT

Historic Assets

Highlandtown has retained much of its building stock, including a light industrial area, blocks of residential rowhouse development and a commercial corridor since initial construction. Recognizing the significance of its urban form, as well as its deeply rooted cultural diversity, the Patterson Park/Highlandtown neighborhood was listed on the National Register of Historic Places in 2002.

While the work of some notable Baltimorean architects is present in the Patterson Park/Highlandtown Historic District, including Wyatt & Nolting, John Zink, and E. Francis Baldwin, the district is most significant for its vernacular architecture, characterized by dense rowhouse development during the area's period of significance, 1867-1952¹⁶. The characteristic variations to rowhouses such as painted screens and window displays born of Highlandtown's rich ethnic traditions adds yet another layer of significance to the rowhouse development. At the urban scale, the Highlandtown/Patterson Park historic district is significant for the retention of its massing, form and rhythm since its initial construction in the late 19th Century; an estimated 99% of the architectural fabric constructed before 1952 is still intact (Maryland Historic Trust 2002).

¹⁶ Please refer to Appendix G for the Maryland Historic Trust's description of the district and its significance.

In addition to its highly intact built fabric, the Patterson Park/Highlandtown Historic District is characterized by its association with Baltimore's working class, evident in the rowhouse developments that epitomized middle class housing in Baltimore in the late 19th and early 20th Centuries (Marion 1983). The neighborhood has experienced nearly continuous occupation since its development, and as a result also exemplifies alterations that are "inextricably linked to the persistence of home ownership that characterizes this neighborhood and the democratic ideals of urban rowhouse living" (Maryland Historic Trust 2002, n.p.). Such alterations include the application of siding and formstone and the installation of the painted screens and first-floor picture windows that have become a neighborhood tradition.



FIGURE 13: A typical business mix found along Eastern Avenue. The commercial architecture along Eastern Avenue is a mix of smaller storefronts and larger department store buildings. HA! as well as the Southeast CDC and Highlandtown Main Street have made substantial efforts to infuse art into public space in Highlandtown such as this mural painted on the side of the building. *Photograph by the author.*

Highlandtown Main Street

In addition to being a National Register Historic District, Highlandtown's Eastern Avenue business district between Ellwood and Haven Streets is also a Main Street community. The Highlandtown Main Street is one of eleven in Baltimore, and uses historic preservation as a unifying principle to the Main Street four point approach to economic development: Design, Promotion, Economic Restructuring, Fundraising/Volunteer Coordination. Highlandtown Main Street offers façade design assistance as well as façade improvement grants. It also maintains a list of available properties within the commercial district and promotes local businesses.

Highlandtown Main Street is faced with a unique set of challenges when compared to other Main Street communities in Baltimore. Eastern Avenue's history as a shopping district characterized by some of Baltimore's first department stores means that the properties in the commercial district are often too large for the small businesses that Main Street communities typically attract. While Baltimore's other Main Streets, such as the nearby South Point Main Street, have much smaller commercial properties to work with—typically 18 feet wide or less for most commercial storefronts—filling a vacancy in one of Highlandtown's commercial properties typically involves finding a business large enough to fill a 20,000 square foot department store. Hillary Chester, Highlandtown's Main Street manager, stated that with smaller storefronts, it is not only easier to find small businesses to fill vacancies in smaller storefronts, but it makes it the “feeling of neighborhood change occur more quickly” (Chester 2011). Though the number of vacant properties in Highlandtown's commercial corridor may be the same as nearby Main Streets, the larger size of vacant buildings imparts a more desolate feel upon Eastern Avenue.



FIGURE 14: An example of the historic department store buildings found along Eastern Avenue. Note the upper story vacancy. While such buildings often possess high degrees of architectural integrity and are in good condition, they often offer too much square footage for the small business and creative enterprises HA! aspires to bring to Eastern Avenue. *Photograph by the author.*

One approach Main Street Highlandtown/Southeast CDC has taken to combat the feeling of emptiness within the storefronts is creating window displays in vacant storefronts. The window displays, which are either educational or promote the work of a local artist, function as a means of injecting art into the Highlandtown community as well as creating a more lived-in feel for vacant storefronts. The displays also complement Highlandtown's tactic of using art work as part of its marketing and promotion strategy. Says Hillary Chester, "Highlandtown should be a place where people expect art" (Chester 2011).

CREATIVE INDUSTRY ENVIRONMENT

The creative community in Highlandtown is anchored by the Creative Alliance at the Patterson, a nonprofit which provides capacity-building workshops for artists as well as programming and arts-related events for non-artist community members of all ages (Creative Alliance at the Patterson 2010). The Creative Alliance also manages an artist residency program that is housed in the Patterson Theater.

The Creative Alliance is located in the Patterson Theater, a Baltimore Historic Landmark that has been an icon of Eastern Avenue since it opened in 1930 (Creative Alliance at the Patterson 2010). The theater closed in 1995, symbolizing the decline of Eastern Avenue as a



FIGURE 15: The Patterson Theater Marquee lights up Eastern Avenue on a Saturday night. The Patterson Theater, the home of the Creative Alliance, has become a focal point of artistic activity and neighborhood revitalization in Highlandtown. *Photograph by the author.*

commercial strip and the broader disinvestment in Highlandtown neighborhood. After substantial renovation and additions, the Patterson became the home of the Creative Alliance in 2003.

As the anchor of creative production in Highlandtown, the Creative Alliance at the Patterson serves as a site of production, consumption, and arts-related community capacity building. In addition to the Creative Alliance, there are more specialized sites of production and consumption within the study area that serve as the backbone of creative production in Highlandtown. Production space within the study area is concentrated in remnant industrial buildings and warehouses in the Crown Cork and Seal complex along Haven Avenue, including the Crown Cork & Seal Studios, Squidfire Inc., and Mark Supik Company. There are also smaller studios and firms located in smaller warehouses dispersed in the area just north of Eastern Avenue, such as Magnolia Designs, LLC, and Martin Studio Photography.

The production spaces in Highlandtown are complemented by spaces in which Highlandtown artists can display, perform and sell their work. Consumption space is loosely concentrated along Eastern Avenue and Highland Avenue and includes gallery space, such as the Baltimore Gallery and Schiavone Fine Art. Additionally, the area benefits from multipurpose gallery and event space in the form of SkyLofts, which provides six flexible gallery spaces for exhibiting work in addition to being the production site for Serigraphics.

Highlandtown has a healthy mix of production and consumption spaces which are further supported by the neighborhood's arts-based community revitalization strategy. Highlandtown, through the Creative Alliance, HA! and Highlandtown Main Street, and community organizations in Highlandtown have made a concerted effort to incorporate art into community events. The Great Halloween Lantern Parade and Festival is an event unique to Patterson Park in which residents decorate and display kinetic sculptures, floats, and paper lanterns in Patterson Park. A joint effort

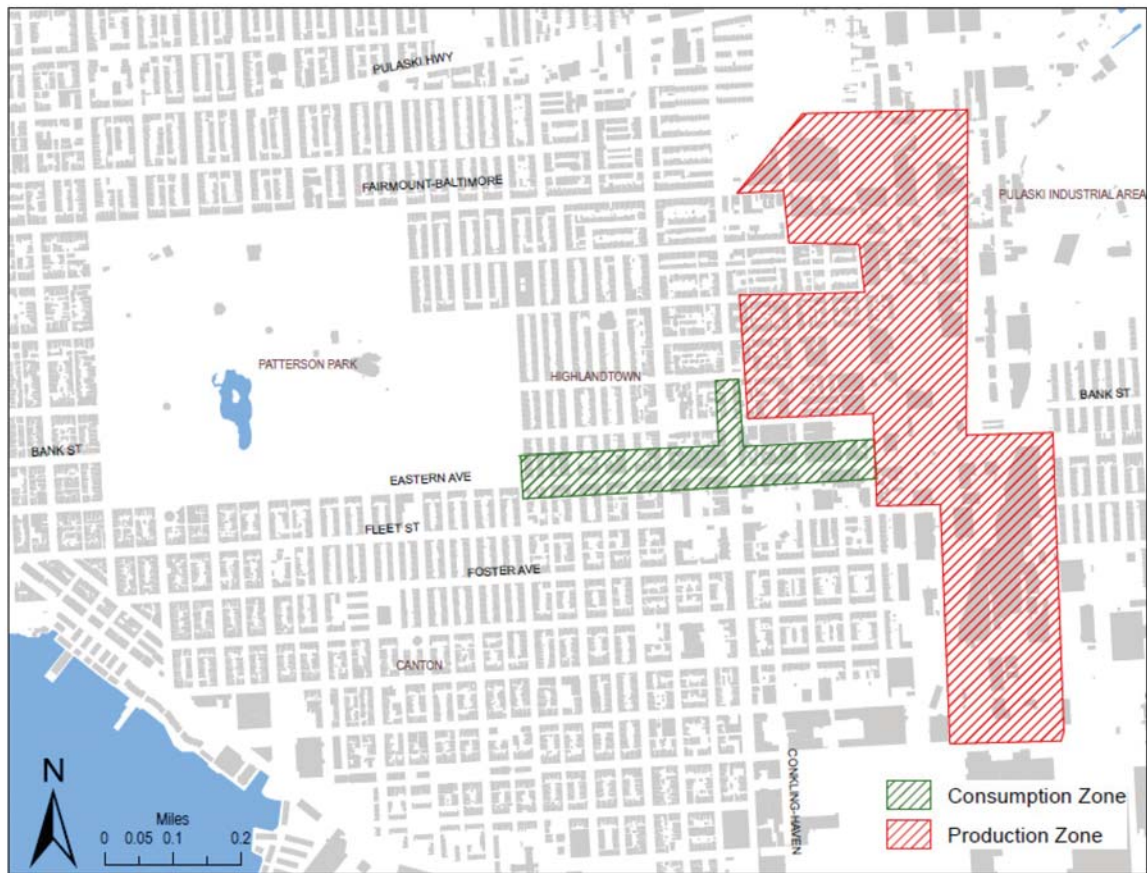


FIGURE 16: Production and consumption zones within Highlandtown. *Map created by the author.*
Data source: data.baltimorecity.gov

by the Friends of Patterson Park, Southeast CDC, and the Creative Alliance, the event draws hundreds of community members and generates millions of dollars to support renovations for Pagoda and Boat Lake, and period lighting in Patterson Park (Southeast CDC 2010). Art is also infused into the community through Highlandtown's well known murals depicting famous events and community messages in Highlandtown, as well as painted walkways and window displays.

Arts District: HA! Arts and Entertainment District

The Highlandtown Arts and Entertainment District (HA!) was designated in 2003 and is currently the largest A&E district in Maryland. The boundaries of the 350 acre district include the Highlandtown and Patterson Park neighborhoods, as well as portions of Canton and Greektown.

Goals

As explained in the first part of this chapter, A&E designation provides incentives for property owners, artists, businesses, developers, and homeowners to invest in the Highlandtown neighborhood; a marketing tool to attract potential investors with an understanding of the area's significance and market potential; a means by which to use the arts as a bridge between residents, merchants, existing and new stakeholders to ensure an equitable neighborhood transformation. However, the flexibility built into the A&E designation process has allowed HA! to create goals that are unique to the neighborhood's development and creative needs. HA!'s goals are summarized as follows:



FIGURE 17: Highlandtown and Entertainment District Highlights. *Source: Southeast CDC 2010.*

The goal of the district is commercial and neighborhood revitalization that brings families back to Baltimore City and keeps Southeast Baltimore neighborhoods strong by creating a place in Baltimore where innovative, community-based contemporary arts thrive. The arts district will put Maryland and Baltimore on the map as a vibrant arts community unparalleled on the east coast, and the arts will build community and culture in a neighborhood in transition

To revitalize Highlandtown, we must help existing and new stakeholders make investments in the area and build a community of artists with homeownership stake in the neighborhoods. The A&E designation, combined with historic tax credits and Healthy Neighborhood initiatives can do that by providing additional incentives for property owners, businesses, developers, and homeowners to invest in the neighborhood (Highlandtown Arts and Entertainment District 2009, 5).

As stated, the goals and potential benefits of A&E designation as envisioned by HA! emphasize community involvement in the arts as a means by which to steer neighborhood revitalization. Additionally, a review of HA!'s district designation reveals that not only was homeownership an explicit goal, but that the district was enlarged to include a greater diversity of building stock (Highlandtown Arts and Entertainment District 2002, 39). To this extent, HA!'s objective is also inherently preservation oriented, prioritizing existing tangible and intangible neighborhood assets and its longtime community organizations and residents.

Organizational Structure

There are several organizations within the Highlandtown community that are integral to the administration of the A&E district. These organizations include:

Ha!- The A&E district itself is run by a steering committee consisting of community members and local merchants. It is coordinated by the Southeast CDC, and is anchored by the Creative Alliance at the Patterson.

Creative Alliance at the Patterson: is a nonprofit “founded on the notion that connecting the creative energy of artists to the history, culture and resources of a specific place can have a transformative effect on both” (HA! Folder). It offers community-based arts programming including an Artist in Residence Program, artist workshops, and community outreach through arts programming.

Southeast CDC: a community development corporation that administers the Highlandtown Main Street program, the Highlandtown Healthy Neighborhoods program, and is the coordinator and fiduciary agent of HA!. Southeast CDC also has the capacity to buy, renovate, and sell real estate in Southeast Baltimore.

Other organizations in Highlandtown with a vested interest in HA! and community development in general include the Highlandtown Merchants Association, the Patterson Park neighborhood Association, Friends of Patterson Park, and the Greentown CDC.

Outcome

Despite the existence of incentives for artists living and working within designated A&E Districts, there are no known uses of the credits since HA!’s designation in 2003. Community informants cited a number of reasons for the lack of credit use, including the fact that the credits are not well known, and a general misalignment of policy (Chester 2011; Dodds 2011; Ryer 2011; Schiavone 2011).

Since district designation in 2002, the neighborhood has experienced an influx of private investment, and even some new development projects. Despite the housing crisis, average home values experienced positive trends since 2002 (Live Baltimore Home Center 2010). Additionally there have been 37 federal historic tax credits projects, and 158 applications with 85 certified

Baltimore City historic tax credit projects in the historic district since 2002 (Montgomery 2011; City of Baltimore 2010; National Park Service 2010).

The lack of A&E incentive use should not be construed as a failure for the district as a whole; A&E designation has functioned as a marketing tool, offering a unified image to residents within the neighborhood as well as a means through which to draw outsiders into the neighborhood for events showcasing the arts in Highlandtown. HA!'s value lies in its function as an organizational and marketing tool rather than a property development mechanism. Furthermore, HA!'s programming has had social and economic benefits for the community, bringing businesses and community members together in a neutral way.



FIGURE 18: A Day of the Dead themed Kinetic Sculpture at the Great Halloween Lantern Parade and Festival. The festival offers an opportunity for various community groups to engage in the arts and enjoy historic Patterson Park, and draws audiences from across Baltimore. *Source: Highlandtown Main Street.*

Several neighborhood informants implied that the concept of A&E designation has more power in terms of organizing urban revitalization efforts, political interest, and financial backing, than actual designation. According to Jed Dodds, Artistic Director of the Creative Alliance, the process of creating the proposal for A&E district designation was itself a valuable experience, functioning as a stimulus for collaboration between the neighborhood's various constituencies and longtime residents (Dodds 2011). Though HA! was intended to be a community-arts based approach to an A&E district from the onset, it enabled a clear plan of action to be developed with specific responsibilities taken on by organizations and community members. In this respect the application process proved to be more useful for neighborhood revitalization efforts than designation itself. Furthermore, as useful as the designation process was for organizing revitalization efforts and opening up lines of communication in Highlandtown, Dodds also warned of the risks of pitting arts organizations and coalitions against each other when competing for the same pool of resources.

HA! is typical of the Artist District typology based on its planning motivation of supporting neighborhood change and creating a regional activity center for arts activity in the Highlandtown neighborhood, its focus on professional artists and hobbyists, and the presence of various galleries and artist live/work space and housing. It also displays some characteristics of a Neighborhood Arts District based on the presence of an anchor that stresses both community outreach through the arts as well as capacity building for professional artists. HA!'s community-based approach to arts-based regeneration has enabled it to use art as a way of reaching various audiences and demographics in the Highlandtown community, to add cohesion to the Highlandtown Main Street community, and to unify the neighborhood's various interest groups.

Gentrification

Highlandtown's continuous occupancy, there remains a strong presence within the neighborhood of the "old guard". Because of this, it is gentrification becomes a serious threat to consider when thinking about neighborhood development. However, community leaders agree that there are examples in nearby neighborhoods in which gentrification and neighborhood happened too rapidly, forcing long time residents out. However, the community based approach to arts and development has allowed neighborhood improvement to happen more gradually and organically, preserving community.

When asked about increasing property values and issues of affordability, informants remarked that the presence of absentee landlords were more of a problem for several reasons. First, because many have hung on to properties waiting for their value to increase. But the more glaring issues, according to Hillary Chester was the fact that the neighborhood suffers from absentee property owners who have inherited buildings and fail to maintain them or keep tenants, but instead collect rent on cell phone towers placed on top of their buildings.

EVALUATION OF PRESERVATION AND CREATIVE INDUSTRY ACTIVITY

Strengths

Intact building stock: Highlandtown's retention of original and historic building stock imparts a cohesive feel in terms of scale and architectural fabric. While there have certainly been insensitive renovations to storefronts within the commercial and residential areas of Highlandtown along Eastern Avenue and Conkling Avenue, for the most part the building stock in Highlandtown remains intact. It seems economic stresses on the neighborhood over the years have prevented radical alterations, good or bad, of building stock.

Variety of affordable building stock: The historic development pattern of Highlandtown has resulted in an assortment of building sizes, types, and configurations. This variation in building stock increases the chances of business's ability to find a building that fits their needs. Property in Highlandtown has also remained affordable. Vacancy of relatively well maintained rowhouses in the neighborhood has provided ample housing stock and Highlandtown also has a surplus of commercial space.

Longstanding neighborhood with invested community members: Interviews with community informants, preservation officials, and a neighborhood foot survey confirms there to be relatively good preservation of both the physical fabric and the social and cultural network for which Highlandtown is known and deemed significant. The study area, considered significant for its origination as a working-class neighborhood, has managed to slow gentrification to a manageable level, while preserving its architectural integrity seen its rowhouse developments and retail corridor.

Proximity to resources: Highlandtown offers many tangible assets that provide an optimal environment for placemaking. Some of these assets are arts based—the Creative Alliance and SkyLofts for example—while others are more community oriented, such as the Enoch Pratt Public Library or the variety of businesses along Eastern avenue. Additionally, landmarks and longstanding institutions within Highlandtown such as the Zappa Sculpture or Dipasquale's market offer local residents recognizable features to unify around, and position the neighborhood as a potential destination for people from all over Baltimore.

Exposure to external markets as a thoroughfare: On a typical weekday, 16-20,000 cars pass through Highlandtown via Eastern Avenue (Southeast CDC 2010). The high traffic volume offers Highlandtown a potential external market to tap into on a daily basis.

Historical and Contemporary Diversity: Highlandtown's more intangible assets—namely its deeply rooted tradition of cultural diversity manifested in folk art and community tradition-- makes it a culturally vibrant neighborhood. The traditions of polka, beer brewing, and screen painting continue to be unique assets of the Highlandtown. The neighborhood's cultural history is enriched by Eastern Avenue's history as a shopping district.

Weaknesses

Building size: while the variety of building stock found in Highlandtown certainly functions as an asset, the large size of the commercial buildings, particularly those along Eastern Avenue, has provided a challenge for redevelopment. The 180 acre Crown Cork and Seal complex also provides a challenge for filling vacant property. The issue of building size is further compounded by zoning that limits potential use of the buildings.

Vacancy- vacancy levels in Highlandtown hover at nearly 25%, higher than the City of Baltimore's vacancy levels. Compounding the vacancy problem is the presence of absentee owners that lack the desire to find occupants for their vacant property.

Perceived lack of parking- community informants said that despite parking lots and plenty of street parking, Highlandtown's residents fear that increased development in the neighborhood brings parking scarcity.

Conclusion

There has always been a viable neighborhood in Highlandtown, a fact that has served as both an asset and liability for the community. There are numerous strategies for community and economic revitalization in Highlandtown as seen in the various overlapping districts within the

neighborhood. The synergies between the goals of the HA! Arts and Entertainment District and the preservation of built fabric in Highlandtown seem to work in tandem particularly well because they take a community-based approach to urban revitalization, privileging existing neighborhood assets in the form of tangible and intangible heritage.

A flyer promoting HA! touches upon the assets of the neighborhood:

"The authentic character of the area—frank, unpretentious, pragmatic and cheap—suits the tastes and needs of artists. Eastern Avenue, with its discount stores, Latino businesses and ethnic restaurants, is fertile ground for cultural producers. The unused storefronts and empty second floor spaces on Eastern Avenue speak to potential for galleries, live/work and studio spaces. The strong blue-collar aesthetic and folk traditions are proud resources for artists to access and use as stimuli for their own work"(Highlandtown Arts and Entertainment District 2009).

The paragraph discloses the major assets of the major themes present in the neighborhood, most importantly the way arts-led regeneration and preservation of existing elements of both tangible and intangible heritage are to be used as a method for inspiring urban regeneration in Highlandtown. The preservation of Highlandtown's original urban elements provides the framework for a successful urban environment; preservation has allowed for the precondition of a viable arts district, placemaking and a "liveable" urban neighborhoods, to be satisfied.

Art also makes preservation of community, and the community's ability to link contemporary populations with older ones more likely. Artistic activity has provided an opportunity to link the Highlandtown "Old Guard" with the new and developing communities in Highlandtown in a way that is neither threatening nor gives one group an upper hand. Additionally, the presence of long-standing community businesses, a diverse population, green space found in Patterson Park, iconic architecture, and nearby amenities such as the Pratt Enoch Library and the Inner Harbor,

make Highlandtown a neighborhood with many resources on which to promote itself a unique place to live and work. The elements for a successful neighborhood development that utilizes both the arts and preservation of existing assets are in place; Highlandtown's success will ultimately depend on its ability to continue the positive momentum that is being felt throughout the neighborhood.

8. CASE STUDY ANALYSIS

Despite similar preservation and arts-based policy framework Baltimore's Station North and Highlandtown districts have experienced two very different outcomes. Both study areas are the sites of National Register Historic Districts and designated Maryland's Arts and Entertainment Districts; both study areas have similar urban elements—blocks of rowhouses, light industrial areas, and commercial corridors— and both Station North and Highlandtown exhibit the characteristics of Arts Districts. Despite these similarities each area's respective history, demographics, and community and institutional influences have resulted in different outcomes for each neighborhood; Station North's "tabula rasa" state at the time of district designation and emphasis on design and attracting artists leans more towards characteristics typical of a Creative Production District, while HAI's continuously viable neighborhood and community-based approach to arts-based neighborhood regeneration has resulted in a Neighborhood Arts District character for the study area. As such, an analysis of the respective districts is not about determining which

district is “better” than the other; rather it is intended to examine the ways in which historic preservation has played an integral role in the accomplishment of each district’s respective goals.

Historic Preservation and the Creative Industries exhibit converging values

The strategies adopted by both Station North and HA! exemplify the potential for preservation and the creative industries to share goals and in many cases the means for their achievement. Though its production emphasis is on design and the performing arts, Station North’s A&E district vision is distinctly multicultural and considers the longstanding artists and cultural institutions and organizations already present in the neighborhood. The means for achieving the goals of community empowerment include beautification programs through clean-up events, murals, public art, and encouraging homeownership, all of which encourage preservation and increased awareness of the existing assets of built environment within the study area.

Similarly, HA!’s arts-based approach to community revitalization was intended to build upon existing neighborhood assets, a strategy similar to preservation-based approaches to community revitalization. Said Dan Schiavone, marketing director and a founding member of HA!, “Arts-based changes in the neighborhood should not overshadow ...local institutions. Ideally... the arts will complement and highlight them. It’s about recontextualization, not replacement” (Highlandtown Arts and Entertainment District 2009, 25). This sentiment was shared by the former director of HA!, Megan Hamilton, who highlighted the transformative possibilities of arts-based regeneration envisioned in the implementation of HA! that also echoed preservation-oriented sentiments:

“The arts can help Highlandtown go from being perceived as a place that had its act together when it had all those manufacturing jobs to not being so cool anymore to a place where there’s all this activity...and you can look at...a lot of stuff that was already there...an arts scene can help facilitate that” Highlandtown Arts and Entertainment District 2009, 26).

The concept of recontextualization rather than replacement is echoed in the reuse of the Patterson Theater by the Creative Alliance. Preservation in the form of building rehabilitation has served as an anchor and economic driver for the arts-based neighborhood regeneration via the merger of preservation initiatives and seen in the Patterson Theater. While the rehabilitation was not without compromise, the preservation of the Patterson has become a symbol of arts-based reinvestment in the neighborhood through physical preservation of a landmark building.

Preservation of the built environment is a key component of placemaking in urban environments.

As the case studies have shown, both Station North and Highlandtown have preserved the vital components of their urban infrastructure, making them prime candidates for reuse; they are dense, pedestrian oriented neighborhoods exhibiting high degrees of walkability and transportation connectivity as well as a diversity of building stock.

Placemaking in both Station North and HA! functions at various scales, capitalizing on the urban features of the two study areas. At the neighborhood scale, preservation of entire blocks and commercial corridors has helped to preserve the overall character of a neighborhood. Informants from Station North cited the building stock's "vintage" appeal along Charles Street as something that made the neighborhood unique. Similarly, informants commented on the "retro" feel of Eastern Avenue, referring to the storefronts, the historic interior features of some buildings, exterior signage, and building details as features that made Eastern Avenue and Highlandtown a "cool" place to live.

Additionally, in Highlandtown arts- and preservation-oriented community events reinforce the neighborhood's relationship to its location-specific history and heritage; Highlandtown is known

for its various murals depicting community history and messages, and its annual festivals and parades are not only enjoyed by the community, but draw people from all over the Baltimore metro area.

The physical atmosphere of historic buildings contributes to placemaking at the site scale, a fact that capitalized on by the galleries in Station North's industrial buildings. The occupants of Area 405, located in a historic brewery, have retained original features of the building including some large pieces of machinery, hoists, switch boards, and lighting. The retention of these

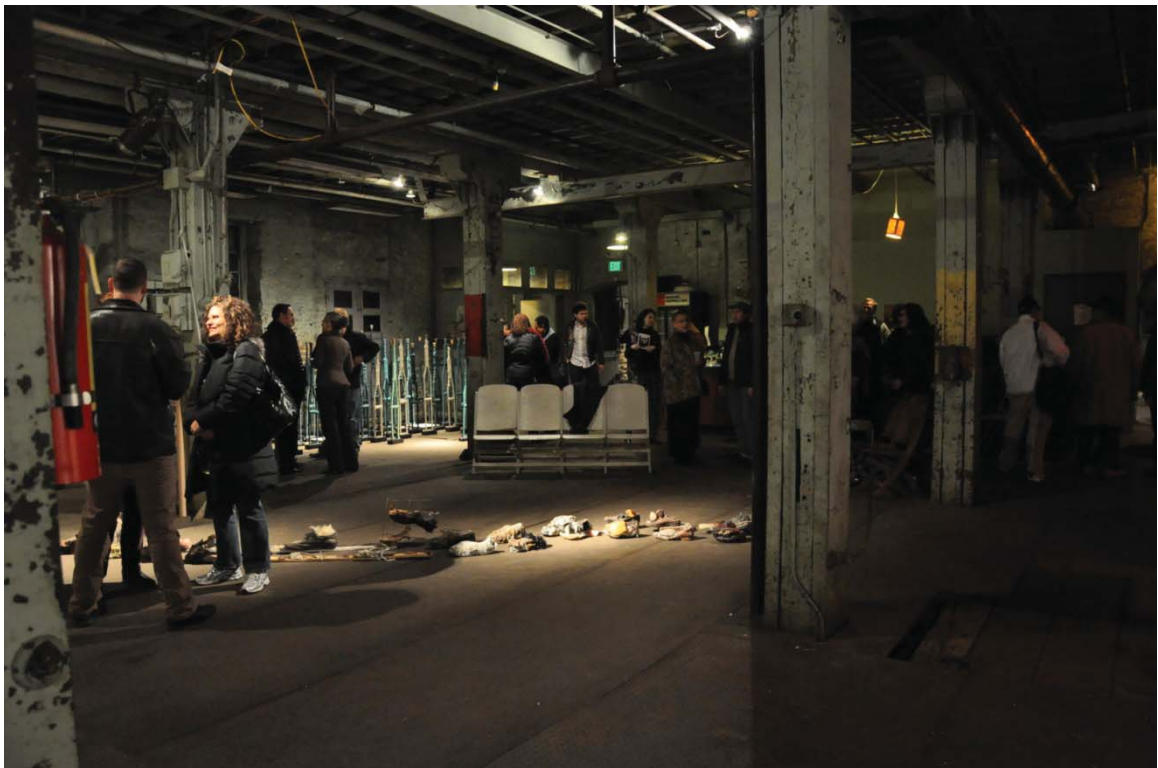


FIGURE 19: An opening reception in Area 405 draws audiences from the local art community as well as people from all over Baltimore. The featured installations were complemented by the aesthetics of the exhibition space, which has maintained the raw aesthetics of the building's history as an industrial brewery. *Photograph by the author.*

building attributes serves as a physical reminder of what the building once was, making the space unique in comparison to newly constructed venues or living spaces such as City Arts Apartments or the Station North Townhomes. The distinctive aesthetics of Area 405—the patina created by the dirt, exposed brick, wooden floors, metal columns, and remnant machinery— often complement the artwork itself, and are incorporated into installations. Thus the aesthetics of industrialism function as a defining feature of the consumptive experience for audiences attending exhibitions in Area 405. The aesthetic of the historic building ultimately adds value to the consumption of artistic product because it contributes to a consumer experience that is irreplaceable in situations of new construction.

Artist-led regeneration enables the understanding and use of buildings as pieces of whole urban systems in addition to their value as architectural artifacts.

Industrial areas exhibit an ecological functionalism predicated on the co-location of the industrial complex itself (the site of production), worker housing, and a commercial center (sites of consumption). Intact industrial areas, therefore, provide the optimal infrastructure to support the “system” of a successful cultural quarter, which are dependent on the co-location of spaces of production and consumption.

Both Station North and HA! exhibit the importance of the historic built environment in fostering the symbiotic relationship between production and consumption space. In HA! the historic industrial areas seen in the Crown Cork and Seal Factory, and along Haven avenue industrial corridor, and the loft buildings, garages etc. that have either maintained their use or been repurposed as artist studios or live/work space function as production sites. Meanwhile, the gallery and retail spaces within the Eastern Avenue retail/commercial corridor function as the sites of

consumption of art. Station North also highlights the importance of respective sites of production and consumption; the importance of the “consumption zone” on St. Charles and North Avenue’s commercial corridor, and “production zone” found along Guildford and Federal Street in the extant industrial buildings was specifically outlined in the designation application. The creative communities within these areas benefit from the production and consumption sites. The commercial areas not only offer the opportunity for artists and other creative professionals to sell their goods locally, they also afford the opportunity for collaboration and socialization which, in a healthy arts district with a healthy cluster of artists, facilitates further creative activity and innovation.



FIGURE 20 : A typical industrial building found along Haven Avenue in HAI. This building now houses a small cluster of woodworking studios, including the Mark Supik & Co. Woodturning studio. In addition to being active in HAI’s artistic community, Supik & Co. holds demonstrations and offers small hands-on classes in the studio, enabling a wider audience to see the studio space and learn the process of woodturning firsthand. *Photograph by the author.*

However, the benefits of preserving entire districts rather than individual buildings are not only experienced by artists creative professionals, but also by the larger local communities, as well as audiences that come to the districts specifically to patronize the arts. Through arts-related events, openings, and performances within the district, visitors and audience members are drawn to art in galleries, the sites of consumption. By promoting locally produced work in sites of consumption, arts districts connect audiences to sites of production, highlighting the importance of contemporary co-location both for art and creative goods as well as the historical parallels with the creation and sale of goods of all kinds.

Preservation of entire districts allows for patrons and artists to develop an innate understanding of the system that make such co-location possible, despite minimal or no investment

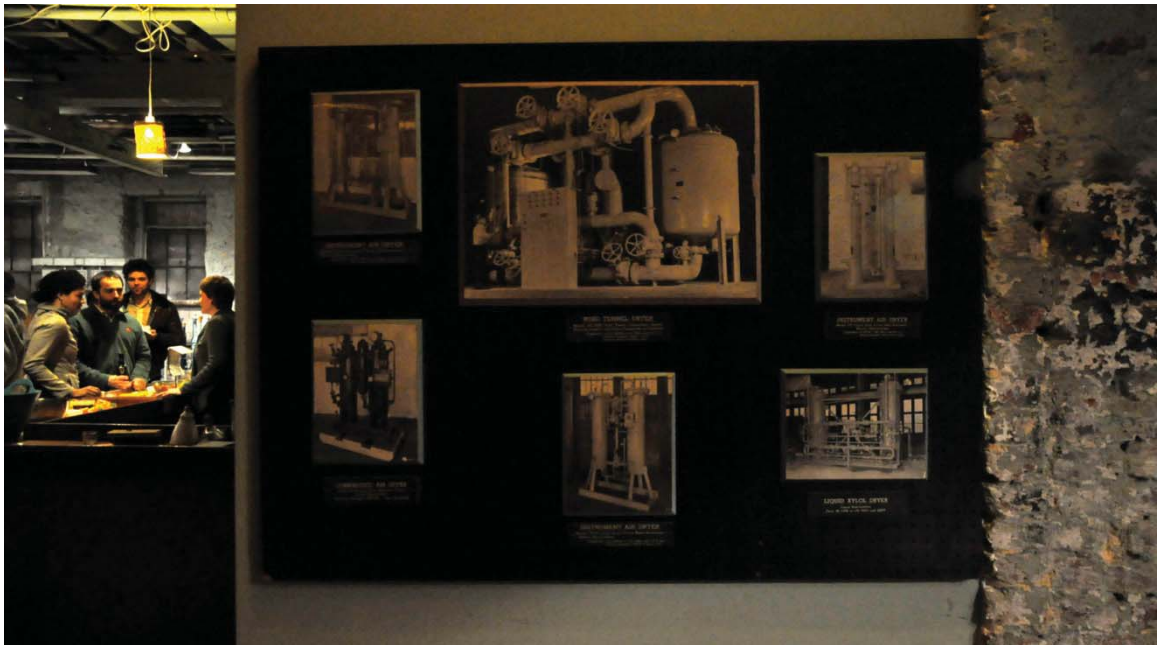


FIGURE 21: Signage and photos in Area 405 explain the machinery and other apparatus remnant from the building's historic use as a brewery. The machinery was left in place partially out of utility as there was no need to remove it. Overall it contributes to the atmosphere of Area 405's exhibition space and provides a talking point for those that attend the exhibitions. *Photograph by the author.*

in interpretive measures. Visitors are left to interpret a building environment based on its use, the larger system to which production and consumption of art belongs in the context of industrialism, and through sensory experience. This experience and understanding is further complemented by open studio tours, and artist-led craft workshops in which non-artist community members are allowed to see sites of production, and in some cases become direct participants in production itself. Thus preservation in the form of rehabilitation or reuse becomes an active, rather than passive, experience.



FIGURE X: A glass blowing demonstration in progress. Open studio demonstrations such as this one bring audiences out of consumption zones and into production zones, fostering a greater understanding of the processes through which cultural goods are produced. The artist featured in the image capitalizes on the proximity of HA!'s production and consumption zones, by working in a studio in HA!'s industrial corridor and selling his products in an Eastern Avenue shop. *Source: Highlandtown Main Street.*

Marketing an area as an “arts district” promotes the idea of production and consumption within a given geographical location and reinforces the similarities to an industrial complex and its commercial and residential components. Preservation and appreciation of older buildings and neighborhoods is thus linked to contemporary communities through social networking, display, and sale rather than traditional interpretative methods.

Complementary Policies/Use initiatives

Formal Regulation/Policy Framework Evaluation

Like historic districts, A&E districts, including Station North and HA!, are intended to encourage appreciation for and build upon the strengths of social and cultural assets existing within their district boundaries. Maryland’s A&E district policy legislation is intended to encourage arts-driven development through a place-based three-tiered incentive program: a ten year tax abatement for qualifying renovations on arts related spaces, income tax credits for resident artists producing and selling work within the district, and an admissions and amusement tax wavier for certified activities and venues within the district.

As written, the property tax abatement incentive included in A&E district legislation appears to be particularly amenable to use in tandem with Maryland state, or federal preservation tax credit incentives for residential and commercial properties. In their A&E district applications, both Station North and HA! articulated the intention to encourage the combination of preservation-related incentives with A&E incentives associated with district designation. Unfortunately, at present the property tax abatement associated with the A&E district has not been used in Station North or HA!, no data is available on the income-tax credits for art produced and sold within the

district , and the admissions and amusement tax wavier has been used by only a handful of venues in the districts.

In interviewing community members and analyzing data, there appear to be two problems preventing more widespread use of A&E and historic tax credits: policy misalignment and a general lack of community awareness of the availability of credits and how to apply for them. Though the credits are intended to incentivize arts-related development in Station North and HA!, as currently structured they are not useful for artists and low-income residents living in the neighborhood. Roy Crosse, owner of Station North's Westnorth Studio explains, "The incentives are nice, but city and state officials don't quite understand the particular reality of an artist" (Dickinson 2007, n.p.). The property tax abatement incentive, for example, is only applicable for property owners, when in fact artists tend to rent rather than own their living and work space. Furthermore, many professional artists lack the capital necessary to qualify for the financing needed to purchase a property.

The disconnect between available A&E district incentives and artists' needs is also felt with the income tax exemption; informants reported that most artists in Station North and HA! do not sell enough work on a regular basis to experience much benefit from the arts-based income tax exemption. As for the admissions and amusement tax waivers, there are only a few venues within the respective districts that are able to benefit from the exemption. Because of certification requirements associated with the admissions and amusement tax wavier, only venues that sell tickets on a near daily basis, such as the Charles Theatre, are able to benefit from the incentive.

In terms of available city, state and federal tax incentives available for the renovation of historic properties with the historic districts in Station North and Highlandtown, there are also several barriers to credit use. While the fact that individuals must be property owners to benefit from the tax incentives remains an issue, the larger problem is that even for those individuals who

do own their properties, the historic tax credits have qualification barriers including minimum threshold investments for projects and limited time frames during which projects must be completed. Says Cross, "I've poured lots of money into my building, but it has happened over time and it doesn't fit into existing incentive patterns. None of us have qualified for the development incentives for our properties" (Dickinson 2007).

According to preservation planners at CHAP, the existing incentive structure is most amenable for layering multiple credits for projects concerning commercial properties (Montgomery 2011). However, the competitive application process and lag time between application and notification of qualification for the State Credit has also deterred potential investors from using the State HTC. Additionally, developers avoid using HTCs at local, state, and federal levels on qualifying buildings because of design review. For residential properties, it was suggested that one-time HTC seekers, particularly homeowners, are either not aware of different levels of credits or are daunted by the application process itself.

It seems, therefore, that existing incentives for A&E districts target developers with large amounts of capital to invest in arts-based development projects. However, because developers and artists are rarely the same group the incentive program seems ill-fitted to the A&E district goals of encouraging artists and low-income residents to become homeowners. Overall, for artists to be able to use the incentives associated with A&E district designation, or HTCs associated with the national register historic districts in place in both Station North and HAI, artists must already be financially successful. This fact presents a problem for neighborhoods that intended to use A&E and preservation-related incentives to improve the conditions of low income neighborhoods.

However, the increasing frequency of use of federal and city historic tax credits within the district is worth noting. While no data was available for Maryland state historic tax credits,

community members within Highlandtown suggested that developers working in the study areas have been pursuing the state historic credits, despite the previously identified barriers to credit usage (Chester 2011).

Federal rehabilitation HTC's have been used with relative frequency since 2002 in both the Highlandtown/Patterson Park Historic District and the North Central Historic District in Station North. Between 2002 and 2010, there have been 37 federal HTC projects in the Patterson Park/Highlandtown Historic District, and in Station North there have been 33 federal HTC projects in the North Central Historic District. For Baltimore City HTC's there has been usage of credits in the Patterson Park/Highlandtown Historic District, as well as the North Central and St. Paul Historic Districts in Station North. Since the historic district designations in 2002, there have been 158 applications with 85 certified projects resulting in approximately 6.7 million dollars in investment in properties within the Patterson Park/ Highlandtown. In Station North's North Central and St. Paul

BALTIMORE CITY HISTORIC TAX CREDIT INVESTMENT						
YEAR	Highlandtown (Patterson Park/Highlandtown)	Certified	\$ Invested (approximate)	Station North (North Central + St. Paul Street)	Certified	\$ Invested (approximate)
2003	22	7	\$320,000	0	0	\$0
2004	34	5	\$375,000	1	0	\$0
2005	14	15	\$1,000,000	6	0	\$0
2006	26	11	\$840,000	18	1	\$250,000
2007	25	14	\$755,000	13	1	\$160,000
2008	21	15	\$2,000,000	18	2	\$670,000
2009	14	12	\$1,000,000	10	2	\$400,000
2010	2	6	\$500,000	1	2	\$250,000
TOTAL:	158	85	\$6,790,000	67	8	\$1,730,000

TABLE 6: Baltimore City Historic Tax Credit investment data for Patterson Park/Highlandtown, North Central, and St. Paul Street Historic Districts. Data courtesy of Baltimore City Commission for Historical & Architectural Preservation.

Historic Districts there has been 67 applications and 8 certified projects resulting in approximately 1.7 million dollars in investment.

Additionally, Main Street funding has been used with increasing frequency to complete façade improvement projects along Eastern Avenue in Highlandtown, which in turn has stimulated private investment in similar projects (Chester 2011).

There are variety of possible explanations as to why preservation credits have been used with more frequency than A&E district property tax incentives. For example, the restriction of A&E property tax incentives to use by artists for arts-related projects certainly poses a barrier to use when compared to the relative flexibility of the uses of HTCs. Furthermore, historic tax credits, at the city, state, and Federal levels have been in existence for a longer period and are geographically more applicable, suggesting that developers using the credits in the study areas have more familiarity with applying for and receiving the credits in comparison to the A&E district credits, which have been in place for a little less than ten years. Nevertheless, though correlation should certainly not be confused with causation in this situation, it seems that preservation policy incentives have become a vehicle for an arts-based marketing campaign that together have stimulated community revitalization in Station North and Highlandtown.

Arts Districts and Informal Preservation

The lack of historic tax credit use in Station North and HA! does not imply that a preservation ethic or, more generally speaking, an appreciation of older fabric within a neighborhood is not shared by artists and other creative professionals that manage and occupy these areas. In the case of the Patterson Theater for example, the Creative Alliance was not able to capitalize on preservation tax credits because their needs for the building were considered a

compromise of the historic fabric. While the Creative Alliance did not pursue historic tax credits, original interior and exterior elements of the historic theater were intentionally left intact and incorporated into the new design for the building. The preservation of the front façade of the Patterson Theater is particularly notable because it maintains the building's historic character as well as the scale and massing of the building as an Eastern Avenue commercial corridor anchor.

Echoing the findings of some of the smaller case studies from Chapter Five, both HA! and Station North exhibit cases of preservation as an economical alternative to new construction or demolition. Several informants suggested that the hundreds of rowhouses in Highlandtown having minimal alterations to historic fabric occurred in part because of the continuous occupancy within the neighborhood and a tradition of rowhouse living, but also because the economic circumstances within the neighborhood over the past fifty years has discouraged the widespread demolition or insensitive alterations of existing buildings.

The reuse of industrial buildings within both districts is also a classic example of cost efficiency of reusing what is available and capitalizing on existing building features rather than remodeling for the sake of updating buildings' existing features. The artists living in Station North's Cork Factory and Copy Cat buildings have valued the historic buildings' huge windows, hardwood floors, and flexible floor plans since the 1980s. Artists have also found utility in remnant features of the industrial buildings; one of the deciding factors for Jim Vose, an Area 405 artist co-owner, was "a series of three-ton chain hoists dangling down from the ceiling" --left over from the building's original use as a factory— that are perfect for assisting him assemble his steel and iron sculptures.

Similarly, the exterior of the Area 405 building has maintained its historic exterior cat walk, staircase, and hoists --evidence of the building's historic use as a brewery—not because those features are particularly useful to Area 405's occupants but because it was unnecessary to remove

them from the building. The lack of regulation and relative flexibility in terms of appearance for the purposes of artist work space has preservation benefits; there are rarely self-imposed regulations for how the space must look, resources need not be expended to remove fabric unless it is otherwise necessary.

However, the Station North and HAI case studies have also shown that while there are instances in which historic buildings have been assets, there are also cases in which the existence of historic building stock has created difficulties for artists and creative workers. Informants almost uniformly cited the prohibitive cost of bringing buildings in disrepair back up to code standards, particularly for artists working with small amounts of startup capital. HAI in particular is faced with the challenge of finding uses for its empty historic department stores; the buildings, often multi-story and in some cases as much as 40,000 square feet, have proven too large for the average developer or creative professional to singlehandedly take on as a development project.

CONCLUSION

This analysis has shown the ways in which preservation and artists living and working in arts districts (a subset of the creative industries) have functioned as complementary components of neighborhood revitalization strategies. In both Station North and Highlandtown, preservation initiatives and the creative industries, largely through the implementation of A&E, and National Register Historic Districts, have functioned as mutually supportive strategies. The built environment has benefitted from an infusion of artistic activity and arts-related investment, while the developing creative communities in the respective neighborhoods have benefitted greatly from the preservation of individual buildings and larger urban elements that holistically result in successful urban neighborhoods.

The study of Station North and HA! highlights the importance of both the co-location of zones of production and consumption for successful creative communities and the ways in which the historic built environment at the urban scale, particularly in former industrial areas, provides an ideal infrastructure for a contemporary use pattern. This argument differs little from those touting the benefits of traditional urbanism; creative communities are reviving historical use patterns with a contemporary angle by using industrial buildings as production space, residential space in former worker housing, and consumption and social space in nearby commercial corridors. The co-location of activity within creative communities in this fashion fosters an understanding of historical patterns of production and consumption with these areas. Furthermore, designating and marketing arts districts to larger audiences links consumption of a good, in this case a cultural product, to where production took place (in the case of HA! and Station North, usually in nearby industrial buildings now functioning as artists' studios) facilitating a healthy creative community, but also an innate understanding of historical use patterns. Thus, the functional and market-driven demands of the creative industry are met, as are the reuse and interpretative goals of preservation. The symbiosis of the built environment and the creative industries evident in Station North and Highlandtown speaks the value and importance of historic preservation at the urban scale as a regeneration tool.

Despite the natural relationship that has developed between urban infrastructure and the creative communities in Station North and HA!, historic preservation is not something that was actively thought of as a development strategy, or something that was already occurring in the galleries, live/work spaces, and neighborhood improvements. Despite the conservation and in some cases use of existing elements of historic buildings in both Station North and HA!, artists and community members associated historic preservation with more traditional notions of preservation

such as the preservation of historic landmarks. Others perceived historic preservation in a more negative light, as a set of government mandated rules imposing restrictions on property use. Increased involvement of Baltimore's preservation advocates in Station North and Highlandtown could help to increase awareness of preservation as an evolving and dynamic field rather than merely a set of barriers to rehabbing a property. Preservation advocacy in both Station North and HA! would increase appreciation for the vernacular architecture and larger scale urban patterns that make Station North and Highlandtown significant.

9. RECOMMENDATIONS

The following recommendations for creative industry policy initiatives are informed by the analysis of Station North and HA!, two of Maryland's Arts and Entertainment Districts, as well as smaller scale case studies of preservation oriented creative district development projects. They are intended to increase applicability of A&E district policy incentives and historic tax credit incentives, as well as the ability of property owners and developers to use such credits in concert.

CREATIVE INDUSTRY POLICY RECOMMENDATIONS

Address Policy Incentive Misalignment

As currently written, the incentives programs associated with Maryland's Arts and Entertainment districts, particularly the property tax abatement incentive, are misaligned with the needs of artists, most of whom rent their space, and lack the desire and capital to function as

owner-developers. Additionally, the efficacy of existing policy mechanisms would benefit from increased tracking and monitoring efforts.

When asked how they would tailor incentives related to the built environment to better suit the needs of artists, informants suggested creating programs that would subsidize utility costs. Additionally, when reviewing artists' assets for financing purposes, the inclusion of art supplies and tools, both of which are of considerable expense and value to artists, would prove useful.

Enhance existing zoning ordinances

As many of the case studies and literature review have shown, artist live/work space is becoming an increasingly frequent common arrangement for artistic communities. Unfortunately the existing zoning codes in many cities are not equipped with the mechanism to legally allow the insertion of artist live/work space into existing buildings, particularly those buildings zoned as "industrial".

The City of Baltimore attempted to address this issue through the implementation of the Planned Unit Development program (PUD) in the industrial area of Station North, which allowed the artist communities that already developed in the Copy Cat Building, Area 405, and the Cork Factory to legitimately continue to live and work in the buildings. Raising awareness of the importance of artist live/work space and a zoning ordinance that facilitates such a rezoning process if necessary is key for cities trying to develop the creative industries in existing building stock.

Improve definitions of creative industries and creative products

The constantly evolving nature of the creative industries poses difficulties for defining what is a "creative professional" as well as a "creative product". In both Station North and HA!

informants identified the difficulties in current legislative definitions in determining what does and does not qualify as a creative product, and therefore eligible for the income tax exemption. For example, the current definition of what is an original photograph leaves a great deal of grey area when it comes to digital photography. While a photographer might produce original photographic work with a digital camera in much the same way they would with a film camera, it is also possible to duplicate digital photographs with relative ease. Additionally, Maryland's Arts and Entertainment Districts, at least in wording, largely targeted the visual and performing arts, leaving other industries within the creative sector, such as architecture or fashion design, out of district inclusion.

For cities trying to expand their creative industries, it is important to consider all nine creative industries and how each is or is not incentivized by creative industry policy. A careful consideration of the definitions of these industries and their products is key, as is a process for revision of the definitions in a timely manner.

PRESERVATION POLICY RECOMMENDATIONS

Debunk perception of complicated application and review processes

For several informants, state and city review processes associated with the historic tax credits were seen as too technical and too difficult to achieve when compared with the possible return they would receive from the credit. Furthermore, several informants cited the design review process associated with historic tax credits as often being costly and complicated detracting from the potential value of the credit. Additionally, for the commercial credits the potentially lengthy application and review process lengthened the development phase of their projects, slowing the return on their investments.

Compounding the perceived difficulties of the historic tax credits were the fact that the availability of the historic tax credits at the local, state and federal levels, was not widely known within Station North and HA! within the creative community. In this case, advocacy on the parts of preservation professionals and community leaders could greatly benefit rehabilitation efforts within neighborhoods. Many creative communities, including Station North and HA! host artist workshops focusing on business and marketing skills, and other forms of capacity buildings. Outreach workshops led by preservation professionals and creative community leaders could greatly increase the community awareness of historic tax credits and the application process. Additionally, opening lines of communication between the preservation and creative communities could help to position historic preservation as a dynamic rather than restrictive field.

Adjust timeframes for project completion: Though the time needed to review projects was seen as a hindrance by developers, the 24-month time frame for project completion for historic projects prevented artists' renovations in Station North and HA! from qualifying for historic tax credits. Property owners in the districts tended to lack the capital necessary for rapid renovations or rehabilitations, meaning that improvements to properties tended to be incremental. Expanding the time frame needed to complete historic rehabilitations within the district would increase the ability of such projects to qualify for the credits. To ensure project completion over a longer period of time, the applicants could submit a project timeline, with designated check-in dates at various points during the work phase.

Encourage the layering of tax incentives

As studies (Schwartz 2006; 2010) have shown, historic tax credits must be in the realm of at least 20-30% in order to be considered a worthy investment by potential developers. Therefore, the layering of incentives either of historic tax credits at the state and federal level, or layering historic tax incentives with creative industry incentives has the potential to increase the potential benefit of qualifying projects and spur further development.

There are many instances in which City, State, and Federal incentives for historic rehabilitation are available, and even more situations in which these credits could be combined to result in even greater benefit to the developer. Advocacy will play a key role in helping potential developers first understand that such credits exist, and second navigate the application process.

Prioritize arts- and creative industry-related historic rehabilitation projects

Several states, including Maryland, have competitive application processes for their historic tax credits. Additionally, some states prioritize certain types of historic rehabilitation projects by offering greater incentives if certain criteria are fulfilled by the project. For example, Maryland offers an additional 5% credit for historic rehabilitation projects that achieve LEED Gold rating or the equivalent. A similar policy incentive could be developed to encourage the combination of historic rehabilitation and creative industry use by offering a greater percent tax credit for projects that satisfy specified criteria. Alternatively, projects that propose creative industry use as the end product for historic rehabilitation projects could be give priority in the competitive application process for state historic tax credits.

10. CONCLUSION

The central goal of this thesis is to explore the relationship between the creative industries and preservation of the built environment through an overview of national and state policies and the in-depth exploration of two neighborhoods in Baltimore City that are undergoing arts-based community revitalization. In doing so, this research comprises one of the first attempts to articulate the complementary relationship between the creative industries and historic preservation as complementary urban revitalization strategies.

Recognizing the creative industries' departure from previous models of economic development is the first step in understanding the complementary relationship between creative communities and the built environment. By appreciating the role of clustering, social networking, and placemaking in the attraction and retention of creative communities the integral role of the built environment emanates. Preservation at the urban scale contributes to the environmental preconditions of a successful creative community.

The case studies in Baltimore illustrate the importance of urban conservation as a vital component of creative production districts and arts-based community revitalization techniques. Both Station North and Highlandtown rely on the co-location of geographically distinct zones of production and consumption, separated by a residential buffer zone. The success of the respective districts can be partially accredited to existing historic infrastructure composed of separate zones of light industry, commercial corridors, and former worker housing, congruent with the demands of their contemporary creative communities. Thus the large-scale urban conservation of former light industrial areas and nearby residential and commercial areas offers an ideal physical infrastructure for the symbiotic relationship of production and consumption within creative production districts. This (re)use strategy enables the understanding and appreciation of entire patterns of urban development rather than individual buildings as architectural artifacts amongst creative professionals and their audiences and clients alike.

Preservation at the building scale within creative production districts is often born of utility as well as economic necessity. Historic buildings' remnant lifts, hoists, widows and flexible floor plans often function to the advantage of the artists that own or rent them. In many cases the flexible needs of artists as well as a lack capital for renovation results in the retention of original attributes of historic buildings. However, the relationship of artist to site goes beyond real-estate economics; the irreplaceable patina created in the historic buildings now converted into live/work and gallery space has been strategically incorporated into artistic installations and used to market and define the alternative art scene in Baltimore.

Understanding existing policies and incentives for preservation and the creative industries, as well as their shortcomings, demonstrates the need for extremely refined policy mechanisms that consider the dynamics of the creative industries and their relationship to the built environment.

While policymakers have attempted to incentivize creative industry development, largely through place- and industry-based incentives, such incentives have proven to be misaligned for the most part with the needs of the creative community. Particularly for place-based incentives attempting to spur infrastructure improvements, minimum investment thresholds and strict project timelines make such investments attractive to traditional developers rather than the artists creative professionals the incentives are aimed at. Hence policy mechanisms intended to incentivize the creative industries and the development of creative communities run the risk of destroying the organic development of creative communities.

The failure to combine preservation and creative industry policy incentives represents a missed opportunity for developers and communities alike. Particularly in Baltimore, the complementary nature of state and federal historic tax credits and the Maryland Arts and Entertainment District property tax abatement incentivizes complementary action to achieve corresponding goals. Such policies can and should be used in tandem to optimize development opportunities within Baltimore, and throughout Maryland. Where appropriate, policy makers, municipalities, and advocates for preservation and the creative industries would be wise to encourage the use of preservation and creative industry policy as complementary urban revitalization strategies throughout the U.S.

Inasmuch as the development of the creative industries requires rethinking urban development strategies and policy overhaul, their development also reflects larger historical urban trends largely characterized by cycles of growth, decline, and regeneration of the building stock. The effects of urban regeneration as a result of historic preservation and creative sector development will depend on the goals of the creative production district; as HA! demonstrated, an arts-based community regeneration approach has created the opportunity to engage an entire

community in neighborhood revitalization efforts. However, communities must realize that the creative sector is a competitive, market-driven industry. Equitable development within a community will not always be a priority for growing creative industry-based enterprises.

It should come as no surprise then that communities experiencing arts-based regeneration are vulnerable to gentrification. Though some gentrification is perhaps inevitable through utilizing historic preservation and creative industry development as a regeneration strategy, communities should be focused on the rate at which it occurs and equitable development, rather than stopping it. Though easily stated, the task is immense. For highly commercialized creative production districts opening lines of communication between new and existing communities and businesses, as well as the use of the use of Community Benefit Agreements will surely prove instrumental in preserving existing communities.

Taking this major concern into question, what is the feasibility of preservation and creative industry development as a socially sustainable urban regeneration strategy? How much of the current success of the creative industries and urban regeneration is simply a result of current social trends emphasizing a return to small business and local consumption? The insertion of creative industry activity in historic building stock is certainly not the silver bullet for every economically distressed post-industrial city in the U.S. By highlighting the current challenges to this strategy and prioritizing existing community assets in planning strategies, future efforts can be focused on ensuring equitable development in the short term for areas in which historic preservation and creative industry development are appropriate strategies.

Existing urban infrastructure—particularly that found in former light industrial areas—has proven itself a highly malleable tool for meeting the dynamic production, social, economic needs of the creative industries. Designing appropriate mechanisms for creative industry development as

an urban revitalization tool requires an acknowledgement of the value of the historic built environment at the urban scale.

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APPENDIX

A. DEFINITION OF TERMS

Art-Based Economic Redevelopment

An economic development strategy with an emphasis on strengthening cultural assets within a community, in particular artists, art organizations, and craftworkers.

Creative Sector/Creative Industries

Broadly defined as the following industrial sectors: advertising, film and video, broadcasting, publishing, architecture, design, music, visual arts, and performing arts. See Appendix B for their specific North American Industry Classification codes.

Creative Economy

The Creative Economy is defined as “the sum of economic activity arising from a highly educated segment of the workforce encompassing a wide variety of creative individuals— like artists, architects, computer programmers, university professors and writers from a diverse range of industries such as technology, entertainment, journalism, finance, high-end manufacturing, and the arts” (Stern and Seifert, 2007).

Components of the creative economy include:

The Creative Cluster

Enterprises and individuals that directly and indirectly produce cultural products.

The Creative Workforce / Creative Professionals

“Thinkers” and “doers” trained in specific cultural and artistic skills who drive the success of leading industries that include, but are not limited to, arts and culture.

The Creative Community

A geographic area with a concentration of creative workers, creative businesses, and cultural organizations (Mt. Auburn Associates, 2000).

B. CREATIVE SECTOR SUB INDUSTRIES

The creative sector in the U.S. is defined as the following industrial sectors: advertising, film and video, broadcasting, publishing, architecture, design, music, visual arts, and performing arts. The follow list offers examples of North American Industry Classification codes for professionals that might fall within the creative workforce. The NAICs were aggregated from the following industries:

Aggregated Industries

Written Media
Film
Broadcasting
Crafts
Performing Arts
Visual Arts
Architecture
Photography
Design
Advertising
Sound Recording & Music Publishing
Museums & Art Galleries
Libraries & Archives
Culture Education

Example NAICS codes for the creative industries

Publishing and Printing

51111 newspaper publishers (P)
51112 periodical publishers (P)
51113 book publishers (P)
51119 other publishers (P)
323111 commercial gravure printing (M)
323113 commercial screen printing (M)
323114 quick printing (M)
323115 digital printing (M)
323119 other printing (M)
41442 book, periodical and newspaper wholesalers (D)

Creative Chain

(C) - creation
(P) - production
(M) - Manufacturing
(D) - distribution
(SS) – Support industries

45121 book stores and news dealers (D)

Broadcasting

51311 radio broadcasting (P)

51312 television broadcasting (P)

51321 cable networks (D)

51322 cable and other program distribution (D)

Sound Recording and Music Publishing

51221 record production (P)

51222 integrated record production and distribution (P)

51224 sound recording studios (P)

33461 manufacturing and reproducing magnetic and optical media (M)

51223 music publishers - publishing and printing combined (M)

45122 pre-recorded tape, compact disc and record stores (D)

Film, Video and Photography

51211 motion picture and video production (P)

51212 motion picture and video distribution (D)

51213 motion picture and video exhibition (D)

51219 post-production and other motion picture and video industries (m)

41445 video cassette wholesalers (D)

53223 video tape and disc rental (D)

54192 photographic services (C)

812921 photo finishing laboratories (except one hour) (P)

45392 art dealers (D)

44313 camera and photographic supplies stores (D)

325992 photographic film, paper, plate and chemical manufacturing (M)

339942 lead pencil and art good manufacturing (M)

Heritage

71211 museums (P)

71212 heritage and historic sites (P)

71219 other heritage institutions (P)

71213 zoos and botanical gardens (P)

Support

61161 fine arts schools (SS)

51412 libraries and archives (SS)

Independent Artists

71151 independent artists, writers and performers (C)

51411 news syndicates (C)

Applied Arts

- 54131 architectural services (C)
- 54132 landscaping architectural services (C)
- 54141 interior design services (C)
- 54142 industrial design services (C)
- 54143 graphic design services (C)
- 54149 other specialized design services (C)

Advertising

- 54181 advertising agencies (P)
- 54185 display advertising (P)
- 54187 advertising material distribution services (D)
- 54189 other services related to advertising (D)
- 54183 media buying agencies (D)
- 54184 media representatives (D)
- 54186 direct mail advertising (P)

Performing Arts: Music, Theater and Dance

- 71111 theater companies and dinner theater (P)
- 71112 dance companies (P)
- 71113 musical groups and artists (C)
- 71119 other performing arts companies (P)
- 45114 musical instrument and supplies stores (D)
- 339992 musical instrument manufacturing (M)
- 71131 promoters of entertainment events with facility (D)
- 71132 promoters of entertainment events without facility (D)
- 71141 agents and managers for artists, athletes, entertainers and other public figures (D)

Source: U.S. Census 2010 North American Industry Classification System

10 D CREATIVE INDUSTRY INCENTIVE OVERVIEW

	Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Fill Incentive
	Minimum expenditure: \$25,000	25% credit for certified rehabilitation of eligible income and non-income producing properties			Applications will be ranked in accordance with the following criteria: Creation of new business, expansion of existing business, tourism, business revitalization, and neighborhood revitalization, in that order.						x
	Minimum investment: \$5,000	20% credit for income-producing and homeowner properties	Per project cap of \$50,000 per year	2019		Colorado Film Incentive Program	10% cash rebate for production costs taking place in the State of Colorado			x	x
		25% credit for mixed residential where at least 33% of total square footage of rehab is for residential use. 5% add-on credit for affordable housing	\$50 million over 3 years and \$5 million per project			Digital media and motion pictures in Connecticut	Tax credit			x	x
	Minimum expenditure: 25% of assessed building value	25% credit for rehabilitating commercial or industrial buildings for "residential use";	Per Project Cap: \$2.7 million per project; Annual aggregate: \$15 million								
	Minimum expenditure: \$25,000	30% credit for eligible rehab of owner-occupied residence, including apartments up to 4 units.	Cap: \$30,000/dwelling; Annual aggregate \$3 million statewide								

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Filing Instructions
	20% credit for income-producing properties and a 30% homeowner credit. A 10% bonus credit applies for both rental and owner-occupied projects that qualify as low-income housing.	Homeowner credit cap: \$20000. State wide annual cap of \$5 million of which \$2 million is set aside for projects receiving under \$300,000 in tax credits and \$100,000 set aside for qualified resident curators.	2020							x
	25% credit for certified historic properties, both owner-occupied residences and income-producing. Additional 5% credit for residence located in a HUD target area.	Per project cap: \$100,000 for a owner-occupied historic home, and \$300,000 for income producing buildings.			Georgia Entertainment Industry Investment Act	20% tax credit based on minimum investment of \$500,000 on qualified production in Georgia. An additional 10% Georgia Entertainment Promotion can be earned by including an imbedded animated Georgia logo on aprojects			x	x
Minimum investment: \$10,000	20% of rehab costs for qualifying commercial, rental housing, barns and farm buildings.	Per project cap: \$100,000, \$450,000 annual statewide cap for commercial credits and \$250,000 for owner-occupied residences								x

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Fill In
Minimum expenditure: 50% of the assessed value of the commercial property, excluding the land. For residential or barn property, the lesser of \$25,000 or 25% of the assessed value, excluding the land.	25% credit for eligible commercial properties, residential properties and barns.	\$45 million –10% of credits for small projects entertainment districts, 20% for projects that create more than 500 permanent new jobs, and 10% for statewide projects. For commercial projects: no annual project cap. For owner-occupied residential and rental residential: \$100,000 cap.			Cultural and Entertainment Districts	Property Tax Credit				x
\$5,000 minimum on qualified expenditures	25% income tax credit for commercial and owner-occupied residential properties. 30% income tax credit for nonprofits.	Annual cap of \$3.75 million in credits claimed for FY2010. No per-project cap.								x
Minimum investment: \$20,000 or the adjusted basis, whichever is greater	30% income tax credit for owner-occupied residential properties; % income tax credit for all other properties exempt from tax under section 501©(3) of the Internal Revenue Code and state and local governments	total credit not to exceed \$60,000; \$3 million total program cap annually.			Paducah Arist Relocation Program	tax credits to individuals willing to relocate to Paducah and buy and rehabilitate historic structures		x		x

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Film Incentive
Must be in certified historic, or in a designated historic district; Minimum investment: \$10,000 for income-producing properties or owner-occupied residences.	25% credit for income-producing properties in "downtown development districts"; 25% rate for owner-occupied residences,	\$5 million cap per taxpayer for structures within a downtown development district. No statewide cap for commercial credits.; \$1 million statewide cap for owner occupied residences. \$1 million statewide cap for owner-occupied residences.			Motion Picture Tax Credits	film industry tax credits by increasing the percentage of the allowable credit to individual taxpayers for investments in state certified productions, and for infrastructure projects to 25 percent for investments over \$300,000. An additional 10 percent is allowed for payroll for Louisiana residents.			x	x
					Sound Recording Investor Tax Credit	Tax credits are offered to individuals and corporations investing in state certified musical recording production and infrastructure projects. The amount of the credit is 10 percent of the investment for projects between \$15,000 and \$150,000, 15 percent for projects between \$150,000 and \$1 million, and 20 percent for projects over \$1 million.			x	

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Filing Information
					Digital Interactive Media Producer Tax Credit	State certified production activities involved in the production of electronic media, most notably video games, can receive tax credits of 20 percent of the base investment in the first two years, 15 percent in the third and fourth years, and 10 percent in the fifth and sixth years. Tax credits could be carried forward for up to 10 years or sold to another taxpayer.			x	
Downtown Development or Cultural District					Exemption of Consigned Arts from Ad Valorem Taxes	exempt from ad valorem property tax all artwork listed as consignment art by an art dealer	x			
Minimum expenditures: Same as federal tax credit. If federal credit is not claimed, min. expenditure is \$50,000 and maximum is \$250,000.	25% credit for qualifying rehab expenses of certified historic structure. 30% credit where at least 33% of the aggregate square feet of the completed project creates new affordable housing.	\$5 million per project	2013	Affordable housing credit may be increased each tax year by 1% till reached maximum of 35% in 2013.	Attraction Film Incentive Wage Tax (includes commercial, photographic project, interactive computer or video game)	Tax rebate plan			x	x
Minimum investment: the greater of 100% of the adjusted basis or \$25,000 for commercial properties	20% credit for commercial buildings and owner-occupied residences buildings that achieve LEED gold rating or comparable rating from another rating system "rehabilitated structures," commercial properties located in Main Street Maryland community and after 2012 in a designated sustainable community	Per-project cap: commercial - \$3 million; Owner-occupied - \$50,000.		Competitive award process for commercial properties. No more than 75% of funds available for commercial projects in any year may go to any single jurisdiction.	Maryland Smart Growth Arts Entertainment Districts	Admissions and Amusement Tax Exemption, Income Tax Credit, Property Tax Credit	x	x		

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual Based	Place-Based	Industry-Based	Film Incentive
Minimum investment: 25% of adjusted basis.	20% credit for eligible income-producing properties. 25% credit for projects with affordable housing.	\$50 million annual statewide cap	2017		Cultural and Entertainment Districts	Studios, producers, and filmmakers--who either shoot at least half of their movie or spend at least half of the production budge in the sate are eligible for 25% tax credit. No caps; From pre-production and 1 year after, filmmakers are eligible for 100% sales tax exemption on production related items purchased in state. Minimum threshold is \$50,000.				x
Minimum expenditures: 10% of State Equalized Value of the property.	25% credit for owners and long-term lessees for qualified rehabilitation of certified historic buildings against their general income tax or Michigan Business Tax, if they are not eligible for federal credit. Basic Combined credit is 5% when federal 20% credit is claimed. Enhanced state tax credit is also available –up to 15% (in addition to the Basic Combined Credit) for competitively selected projects.	Cap: \$9 million for calendar year ending Dec. 31, 2009 increasing \$1 million annually to \$12 million in 2013.	2013	Twenty-five percent of the annual credit is set aside for projects that have \$1 million or less in expenditures. One Special Consideration credit, a major rehabilitation project (outside the cap) is to be allowed in 2009 and two such projects in each subsequent year. Criteria include and demonstrated need. For projects with less than \$250,000 in credits, owner may elect to receive a onetime refund equal to	Michigan Economic Growth Authority (MEGA) tax credit	Provides tax credit against Michigan Business Tax to companies expanding or relocating their operations in Michigan. Generally, retail facilities are not eligible. MEGA credits are available to companies creating at least 50 new jobs.				x

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Film Incentive
	25% credit for eligible historic property that is part of a renaissance zone project.	Project cap of \$250,000.								x
Investor must prove work could not proceed without credit	25% credit for owners of certified historic building.	Project cap: \$5 million. Aggregate cap: a total of \$120 million with \$78 million allocated for projects from the original pilot program.		Credit availability subject to yearly funding rounds	yes					x
Minimum investment: same as federal credit.	20% income tax credit for all eligible commercial and rental residential properties that qualify for the federal tax credit.			Credits can be claimed starting 1 January 2012						x
Does not include interiors, new construction, landscaping, outbuildings, or replacement windows	20% of cost of exterior restoration work	\$2,000 per project			Motion Picture tax credit:	25% credit for certified production costs for films with a minimum budget of \$300,000. More than half of the film production must take place in state.		x		x

	Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	File In
	Project must be worth 50% of adjusted basis	30% of the cost of approved rehabilitation work				Rhode Island's Tax-Free Arts Districts	for artists who live and work within a specified district, any sale of work created within the district is exempt from state sales tax; for artists who live and work within a specified district, any income they receive from the sale of work they have created within the district is exempt from state personal income tax; for gallery spaces located within the boundaries of a specified district, the sale of original, one-of-a-kind works of art are exempt from state sales tax, whether or not they were created within the boundaries of the arts district.		x		
	Minimum investment for noncommercial properties: \$15,000. Credits for owner occupied residences limited to one per structure each 10 years. Pre-approval required.	10% credit for commercial properties eligible for federal credit; 25% for other eligible properties.	none								x
	Minimum investment: \$10,000 over 3 years.	20% credit for residential owner-occupied and non-owner occupied.	none								x
7	All credits limited to commercial buildings located in designated downtowns or village centers	10% credit for projects approved for federal credit; 25% credit for façade improvement projects; 50% credit for certain code improvement projects	Per Project for façade improvement projects: \$25,000 per project; Code improvement project cap of \$50,000. Annual total program cap: \$1.5 million		Credits may be transferred to bank in exchange for cash or interest rate reduction.						x

Investment Threshold/Use Constraints	Benefit	Cap	Sunset Date	Notes	CREATIVE INDUSTRY TAX INCENTIVE	Benefit	Individual	Place-Based	Industry-Based	Film Incentive
Reconstruction and improvements must amount to at least 25% of the assessed value for owner-occupied buildings and at least 50% for non-owner-occupied buildings	25% for commercial and owner-occupied residential properties	none			yes (motion picture tax credit)					x
Minimum investment in homeownership projects: 20% of assessed value.	10% credit for buildings eligible for federal credit eligible owner-occupied residences.	none			Certified Arts Communities' Arts, Entertainment and Enterprise Districts	Grant program for certified arts communities and cultural facilities		x		x
					motion picture tax credit	West Virginia Film Incentive: 27% base credit with additional 4% offered if producers 10 or more WV residents. Program capped at \$10 million. Minimum expenditure \$25,000.				
Minimum investment: \$10,000 on eligible work	25% credit for owner-occupied residential properties.	Per-project cap: \$10,000			yes (motion picture tax credit)					x
Minimum investment: expenses equal to building's adjusted basis. Must qualify for Federal Historic Preservation Credit.	5% for commercial properties	none								

D. ILLUSTRATIVE EXAMPLES OF CREATIVE DISTRICTS AND SITES

The following section offers several illustrative examples of the different of urban elements, evolutions, and typologies that make up an arts district. The examples target districts and projects that were preservation oriented and were developed in formal industrial cities.

New York City, New York

Continuity of Use with a Twist: Greenpoint Manufacturing and Design Center

Evolution: initially organic, now Planned/Developer-led

Typology: Creative Production

Site: 4 sites in Brooklyn, New York City; Expansion to Philadelphia, PA

Gentrification: Low

Regulation/Intervention: Medium (some incentives used, depending on project)

Anchor/Sector: Developer: Non-profit; Tenants: Private Sector

Preservation of Buildings: Medium

Greenpoint Manufacturing and Design Center (GMDC) is non-profit industrial developer primarily operating in New York City with the mission of reclaiming derelict industrial buildings in Brooklyn's Greenpoint neighborhood, and sustaining industry and manufacturing in New York City. Since incorporation in 1992 GMDC has rehabilitated six North Brooklyn manufacturing buildings, of which it currently owns and maintains five. The properties are leased to small manufacturing businesses, artisans and artists which encompass, "a snapshot of modern, urban manufacturing...our tenants, we think, represent the future of urban manufacturing" (Coleman 2009).

GMDC acquires industrial properties, functioning as a financial intermediary and promoting collaboration between stakeholders. GMDC has also taken on an advocacy role by promoting its model and offering technical assistance to other communities. The majority of GMDC's portfolio is located within the North Brooklyn Industrial Business Zone and East Williamsburg Empire Zone, enabling the availability of New York City tax credits, energy discounts, and relocation benefits, as well as state business incentives to attract manufacturing businesses.

GMDC has a self-described “dual mission of historic preservation and urban development,” noting that historic preservation is “a secondary, but important goal” in its development projects. The nonprofit’s first project was the reclamation of a building at 1155-1205 Manhattan Avenue Building, also known as the Chelsea Fiber Mills complex, which was constructed in 1868 (GMDC 2011; 1205 Manhattan 2011). Today the 366,000 square foot complex houses 76 tenants with over 360 employees.

GMDC combats residential development pressures increasingly felt by Brooklyn’s small manufacturing businesses. An interview with Brian Coleman, Chief Executive Officer of GMDC, (Brian Coleman, Designglut blog, posted 29 June, 2009) points to the stability introduced by GMDC’s model when compared to the rest of the real estate market in New York City:

Our phones are constantly ringing with people who say, ‘I was in this building for 18 months, and now the landlord wants to turn it into a condo.’ We’re a non-profit organization. We’re not looking to say, “Hey, let’s flip this thing and build a condo!” They come to us for long-term stability, and because our lease rates are slightly below market rates.

Coleman points to GMDC’s leasing structure as one component of the non-profit’s success:

Our minimum lease is 5 years, with an option for 10 years. Obviously people are concerned about how much they’re going to spend on rent, but they also need to know that if they come in here, set up their shop, build it or, spend 20, or 30, or \$50K, whatever it costs them to move and set up their shop, that they’ll have 10 years when they’re not looking over their shoulder.

Would the success of GMDC be possible without the resurgence of small businesses? Even though big box stores are popping up in New York City, in the Post-Fordist economy, it seems, according to Cassandra Smith, that cities are “ready for it [small businesses] again”. While there are certainly not enough small businesses in the U.S. to sustain GMDC’s model in any city with under-utilized industrial buildings, GMDC has currently expanded their operations to Philadelphia in

an effort to test the applicability of their model in another city with a similar building stock and a growing small business community.

Though historic preservation is a one of GMDC's missions, the nonprofit has pursued limited veins of preservation in terms of formal preservation activity. One of the more recent projects undertaken by GMDC was the rehabilitation of the 221 McKibbin building in Brooklyn, New York. The project won a 2009 New York State Historic Preservation Award (GMDC 2009). The project was completed using a combination of federal rehabilitation tax credits and New Market Tax Credit incentives. For the McKibbin building the HTC and NTMC proved invaluable; according to Cassandra Smith, project manager and historic preservation specialist at GMDC, without the combination of the HTC and NMTC incentives to provide equity for the project, the rehabilitation would not have occurred (Smith, personal interview 2011).

Brian Coleman also reflected positively on the ability to utilize the McKibbin's historic register status as an asset in its development:

Combining the Historic Preservation Tax Credits with the New Markets Tax Credits created a powerful tool that allowed GMDC to turn dilapidated historic structures into a solid industrial center for small businesses in North Brooklyn Industrial Business Zone. The credits infused over \$4 million of additional equity into the project, ultimately making the preservation of the building a key in creating a stable home where manufacturing enterprises can grow their business (GMDC 2009).

While this was the first instance of GMDC using the preservation tax incentives to finance a project Smith reported that subsequent projects under consideration by GMDC now examine the feasibility of using preservation tax incentives (which requires getting the building listed on the National Register of Historic Places) before proceeding.

This is not to say that the HTC and NMTC programs are universally applicable to GMDC's projects; in fact Smith identified a number of barriers to their use (Smith interview 2011). New

Market Tax Credits, for example, can only be used in highly distressed census tracts, limiting their applicability. Additionally, use of the HTC also introduces more difficulties to reclamation projects. GMDC has recently expanded its operations into Philadelphia, in an effort to see if their model is replicable in other cities. A potential project in the Kensington neighborhood of Philadelphia involving a historic mill building has demonstrated the shortcomings of using the historic tax credit; the mill building has its original windows, however after exploring the options and costs of renovating the building according to the Secretary of Interior's Standards as would be necessary to receive the historic tax credit, it was determined that the cost of replacing the historic windows with custom widows would be cost prohibitive, and likely exceed the amount of equity brought to the project amount the historic tax credit. As a result, GMDC will not pursue the HTC for that particular project.

The potential limits of pursuing formal avenues of preservation are seen throughout GMDC's portfolio; small businesses, which make up the majority of GMDC's tenants, are most concerned with the bottom line. As such, their primary concern in terms of the physical space they occupy is functionality rather than historic integrity. According to Smith, tenants are more concerned with key features of GMDC's buildings such as having loading docks or lifts in the right location to ease production. As a result, GMDC has elected to remove certain historic features that would have been impediments to their buildings' functionality. While the removal of certain features is likely seen as compromising the historic character of the buildings from the traditional preservationist's perspective (and thus formal historic designation and pursuit of tax incentives was not pursued), it was necessary from a development standpoint in order to maximize GMDC's ability to attract and keep tenants in their property.

However, the model created by GMDC also demonstrates that there are inherently preservation oriented actions when dealing with creative businesses, even if not formally thought of as such. The same desire for cost efficiency and reaching “the bottom line” on both the part of developer and tenant has inherent preservation benefits, even if not pursued formally. Premised on the fact that as a nonprofit developer GMDC brings limited equity to its development project¹⁷, Smith reported that it is generally more cost effective to work with existing features of a building or even cover up existing features of a building rather than remove them. This fact also carries over to GMDC’s tenants, who might invest a certain amount a capital to configure their leased space to their needs, but also try to capitalize on existing features of the buildings in which they are leasing space.

Aside from functionality of GMDC’s properties, Smith also noted that the “look and feel” of the buildings is certainly appreciated by GMDC’s tenants, and certainly more so than in generic industrial buildings located in New York City. Interestingly, a 2010 tenant survey of GMDC’s tenants revealed that 67% of tenants hear about buildings by word of mouth.

Additionally the ability to cluster near similar businesses and quality of life play a huge role in the success of GMDC’s tenants. Proximity to New York City has been a huge draw for tenants both from the perspective of being able to sell their products as well as their ability to have a higher quality of life standard. According to GMDC’s 2010 Tenant Survey, Motivations for locating at GMDC properties included “more space”, “lower/reasonable rent”, “locational advantage”, “stable/long lease”, and “supportive landlord/working building” (GMDC 2010, 15). Furthermore, the

¹⁷ This fact is doubly true because GMDC’s tenants are manufacturing oriented businesses (as opposed to retail or residential businesses) in which there is generally less rent paid per square foot.

top three reported benefits of locating in New York City were “proximity to markets,” “quality of life”, and “proximity to suppliers” (GMDC 2010, 13).

The reclamation of GMDC’s industrial buildings has also had advantages for the surrounding neighborhood. The development of 221 McKibbin Street took place in an area in which the residential population surrounding the building - including middle-income, rental, and public housing-- had little interaction with the property. After renovation, 221 McKibbin brought new activity and jobs to a previously stressed corridor, but also “created an interaction between the building and this mixed-use block. The building harnesses the creative and productive energy of the area, and demonstrates that not all investments in industrial buildings have to be conversions to non-industrial uses.”(GMDC 2009, np)

In short, GMDC is a highly successful example of the possibility of success for small businesses that choose to relocate within historic buildings. While preservation is certainly not universally beneficial to the non-profit developer, it certainly has proven its value through both formal and informal veins. Though this particular case study has proven successful in the environment of New York City, its replicability remains questionable.

Philadelphia, Pennsylvania

The “Aorta of Cool”: Crane Arts LLC

Evolution: Organic

Typology: Creative production site

Site: Site

Gentrification: Low

Regulation/Intervention: Medium (buildings are designated on local and National Register)

Anchor/Sector: Private developer

Preservation: High

Often described as the “aorta of cool” in Philadelphia by artists throughout the region (Swerdloff 2007), and located just a few blocks north of the Philadelphia’s trendy Northern Liberties

neighborhood, Crane Arts LLC is actually a complex of buildings including the Crane Building (studios and suites), the Ice Box (project space), the Stable (Milner-Carr Conservation), the Green Space (open air patio), and most recently a few blocks over, the Crane Old School (studio space) (Crane Arts 2010).

Similar to Green Point Manufacturing and Design Center, Crane Arts LLC is the project of two artists and professors from the Tyler School of Art at Temple University, and a developer with a particular interest in the arts (Social Impact of the Arts Project 2007). In search of affordable space, the newly formed Crane Arts LLC was drawn to the Old Kensington neighborhood of Philadelphia, where they purchased the Crane Plumbing Building. Using their connections with the arts community at Temple University, the developers were able to publicize their development through early exhibitions in the Crane Building. The early exhibitions sparked the interest of the local arts community, many in need of affordable space, eventually creating enough demand to where there is a constant waiting list to rent studio space at Crane Arts (Social Impact of the Arts Project 2007).

The Crane Building, which was constructed in 1905, received the 10% Federal Commercial Historic tax Credit for the renovation of the Crane Building and the Old Stable, and a loan from The Reinvestment Fund (TRF). TRF was able to provide financing to Crane Arts LLC through an allocation of New Market Tax Credits (Social Impact of the Arts Project 2007). According to interviews with the developers, it was the overwhelming demand for affordable artistic space and interest in rehabilitation of the Crane Building that encouraged TRF to provide the financing to Crane LLC to continue their rehabilitation of the rest of the Crane Complex (Social Impact of the Arts 2007).

Crane LLC fits within the category of “Creative Production District” catering to both emerging and established artists, as well as architectural design firms, and arts organizations. Though preservation is not specifically a mission of Crane LLC, in an effort to provide a unique space for their art community and creativity-based businesses, as well as a unique space to showcase the visual and performing arts to showcase events on a local, regional, and national scale, the developers completed an effective restoration of a historic mill building. Both the interior and exterior of the Crane Building capitalize on existing features of the building, giving it a unique feel that is also highly practical for the activities that occur within it.

In 2009 the Old Stable Renovation project received a Grand Jury award for adaptive reuse from the Greater Preservation Alliance of Philadelphia (Greater Preservation Alliance of Philadelphia 2009).

Crane LLC’s emphasis on small scale production and fabrication has attracted four other creative businesses to locate within 2 blocks of the building while its 5000 plus annual visitors have also brought an infusion of capital and new activity to the area (Leveraging Investments in Creativity 2010). The Crane complex has also provided a model for ways in which historic industrial buildings can be sensitively retrofitted with “green technologies”; the complex has incorporated solar panels on the roof, sustainable storm water mitigation, and low watt lighting in the building (Leveraging Investments in Creativity 2010).

The demand for more studio and gallery space has allowed Crane LLC to expand its operations to a second site located a few blocks away from the original complex. The most recent project, the Old School Studios, consists of 20 existing classrooms between 500 and 3,000+ sq. ft in a locally designated historic school building. In planning the project, the developers capitalized on the features of the building inherent to the late 19th Century which make it both energy efficient,

and attractive work spaces, particularly the building's large windows which bring in lots of natural light as well as its wide staircases. The historic significance of the building has also been incorporated into the Crane marketing strategy; the schools' involvement as a focal point of the Know-Nothing Riots in Philadelphia gives it rebellious character that is unique when compared to other buildings in the area. The project will be anchored by the Pig Iron Theater Company.

In addition to additional financing from TRF, the Crane Old School Building was partially financed with a \$100,000 Creative Industry Workforce Grant from City of Philadelphia. The grant program, which is administered by the City of Philadelphia's Office of Arts, Culture and the Creative Economy is aimed at "providing more jobs for Philadelphians" and "deliver lasting jobs in the creative economy" (Salisbury 2010). The program is open to both non-profit arts and cultural organizations, as well as for-profit arts, entertainment and creative businesses. The program is seen as a combination of the goals of the Commerce Department's business services, neighborhood development, business attraction and job creation efforts, as well as the Office of Arts, Culture and Creative Economy's strategy to grow the creative industries in Philadelphia. Because the funding for the grants comes from the Community Development Block Grant Program of the American Reinvestment and Recovery Act, to qualify for the grants, applicants must meet federal Community Development Block Grant eligibility.

Crane LLC demonstrates the high level of preservation that can occur within creative production districts, as well as the way demand for affordable space that provides a support community can spread virally through an artistic community to stimulate further demand and further preservation efforts.

Philadelphia, Pennsylvania

Benevolent Conversion: Coral Street Arts House

Evolution: Planned

Typology: Grassroots

Site: Site, with neighborhood spillover, connected to "corridor"

Gentrification: High

Regulation/Intervention: High

Anchor/Sector: Non-Profit Community Development Corporation

Preservation: High

Located in the East Kensington neighborhood of Philadelphia, the Coral Street Arts House (CSAH) is an artist live/work project of the New Kensington Community Development Corporation (NKCDC). CSAH is one component of the NKCDC's broader goal of community-based arts revitalization. Other components of this approach include the Frankford Avenue Arts Corridor, as well as partnerships with Philadelphia's Mural Arts Program, and various local artists. NKCDC strives to celebrate its existing arts community as well as use it as a tool to encourage local economic reinvestment.

The goals of CSAH included neighborhood stabilization, economic development, affordable housing, and as a compliment to the Frankford Avenue Arts Corridor. CASH is modeled after Artspace (see above), both in its combination of affordable housing with artist live/work space, as well as its financing mechanisms. The conversion of the former textile mill, which was completed in 2005, has resulted in 27 low-income units, in addition to shared community space that is used for various exhibitions, performances, and programming. Largely grassroots in nature, CSAH caters to early career and developing artists.

Though CSAH and the Frankford Avenue Arts Corridor¹⁸ are examples of a planned arts anchored redevelopment, they are in part responses to organic, and market-driven trends of arts districts in Philadelphia. Similar to SoHo, several neighborhoods in Philadelphia have often been victims of their own success; the artist-led regeneration that resulted in the redevelopment (arguably gentrification) of Philadelphia's Old City neighborhood, has continued to move northward over the years, spreading through the Northern Liberties neighborhood, and more recently into the Kensington and Fishtown neighborhoods. While the influx of private development in these neighborhoods is certainly appreciated by the City of Philadelphia, there is very little social equity involved as those that often led the regeneration efforts (artists) are quickly priced out of their neighborhoods as rent levels and real estate prices rapidly increase.

In an effort to capitalize on the small population of artists already living in the Kensington neighborhood that had been already migrated from Old City and the Northern Liberties, NKCDC hoped to capture and retain creative professionals through CSAH by providing stable rent levels, and to provide arts-related capacity building in the form of workshops designed to provide artists with business and marketing skills, and other networking resources (NKCDC 2010).

Overall, NKCDC's strategy has been met with relative success; though Coral Street Arts House draws its tenants primarily from Philadelphia, it has tenants from across the nation, and quite a few from New York City who have relocated to Philadelphia in search of an area with lower cost of living in order to pursue their work (Lotozo 2006).

The 7.5 million dollar project was financed through a combination of federal Historic Tax Credits (HTC) as well as low income housing tax credits (LIHTC). This combination of credits

¹⁸ Frankford Avenue is not actually formal planning overlay, but was conceived of by NKCDC and is aggressively marketed as an "Arts Corridor"

introduced both benefits and difficulties to the overall completion of the project. For example, the replacement of the building's windows proved to be a difficulty, as they had to meet both criteria for the Secretary of the Interior's Standards in order to qualify for HTC, as well as technical specifications for windows in order to qualify for LIHTC. These criteria required custom windows be designed for the building, which in addition to introducing expenses to the construction project, also slowed the development period while window designs were revised and approved by respective regulatory agencies.

Additional difficulties were incurred while trying to make the alterations "readable" by preservation standards, but still in compliance with the LIHTC specifications and qualities desired by the eventual users. In an interview with CSAH's manager, Laura Semmelroth, it was also noted that there were certain elements of the historic building that designers would have liked to have preserved but were not possible due to limitations introduced through use of the LIHTC. Though the building left as much of the original hardwood flooring and structural columns as possible, elements such as wall partitions were required to extend from floor to ceiling, changing the open floor plans intrinsic to the original design of the mill building, as well as the inherent flexibility desired for live/work space.

The cost versus benefit of the HTC led Semmelroth to question the efficacy of using the HTC. While the HTC was accountable for approximately \$300,000 of a 7.5 million dollar project, the consulting fees of getting the building listed on the National Register of Historic Places, the cost of the custom windows, as well as the time that was spent on almost outweigh the benefits of pursuing the HTC in the first place. Considering the amount of the credit, Semmelroth was not sure she would pursue designation in future projects.

Though the combination of HTC and LIHTC introduced preliminary difficulties to the project, in the long term, CSAH is certainly viewed as a success by preservationists-- CSAH is cited by the National Park Service as an exemplary model of historic window rehabilitation, and received a Grand Jury Award from the Greater Philadelphia Preservation Alliance in 2006— and is viewed as a model for Low Income Housing in existing historic buildings.

While Semmelroth believes CSAH would have worked more rapidly as a positive catalyst for the Kensington had the economic climate was better, overall, the project has had a multitude of positive effects on the surrounding neighborhood. CSAH has been instrumental in NKCDC's goal of neighborhood stability; one of CSAH's goals from inception was to encourage tenants to eventually become homeowners in the neighborhood. Since opening in 2005, six of CSAH's tenants have become homeowners in the neighborhood, contributing to neighborhood stability. Additionally, the project has spurred increased membership in local civic associations.

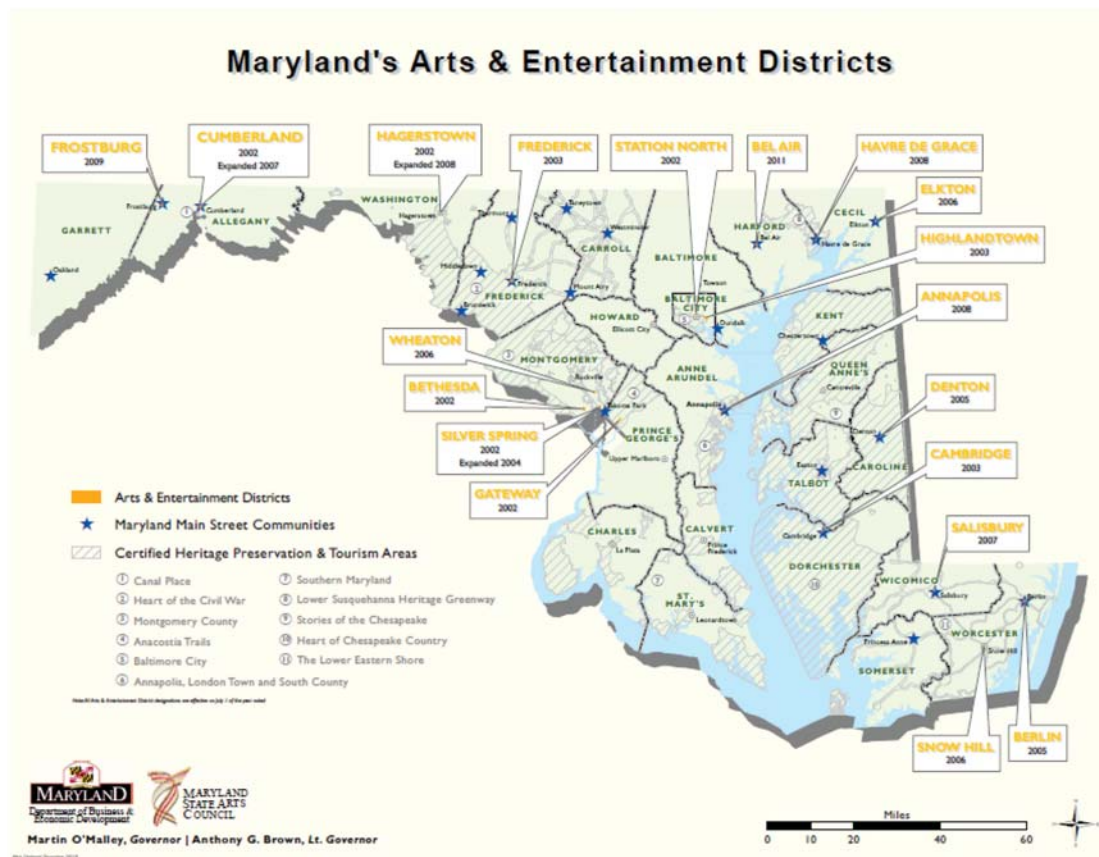
The project has also functioned as a catalyst for the reuse and renovation of nearby buildings; according to NKCDC, more than 40% of surrounding vacant industrial buildings are being renovated for similar use through private investment. The spillover is immediately apparent to those who visit the neighborhood; Viking Mills, a previously underutilized mill building on a property immediately adjacent to CSAH, is currently being rented as "dirty" workspace and parts of the building is being gradually renovated as live/work studio space (Viking Mill 2011). Additionally, the development has also stimulated growth of small businesses that cater to artists in the neighborhood such as the nearby Leodus Café.

In terms of the more complex initiative of neighborhood revitalization that concurrently combated gentrification in Kensington, Semmelroth noted that until recently CSAH was inserted into the neighborhood with minimal opposition. While there is often a stigma associated with low

income housing, the concept of bringing artists to the neighborhood was met with less resistance by longtime residents, particularly considering the fact that there had been an existing artist population in the area for years. Semmelroth notes that gentrification remains to be seen as a threat by longtime community members but that is born out of the perception of the pace of improvement rather than actual results. Because Kensington had so many vacancies, it became more noticeable when people began to move back into the neighborhood. A certain “tipping point” has been reached in East Kensington and CSAH has been the recent target of some vandalism. Semmelroth, however, believes this reaction to be largely misguided, aimed at “hipsters” who are new to the neighborhood and have violated the existing social codes of neighborhoods rather than the individual artists that live and work in CSAH.

CSAH functions as an example of how Low Income Housing Tax Credits can successfully be combined with the Historic Tax Credits, as well as the possible difficulties in doing so. However, while the preservation initiatives that took place at the building scale are certainly impressive, it is the degree to which the project functioned as a catalyst for surrounding neighborhood stabilization that is truly remarkable. CSAH also demonstrates the care that must be taken when initiating arts-based revitalization to a distressed neighborhood with a strong preconceived community identity.

E. MARYLANDS ARTS AND ENTERTAINMENT DISTRICTS AND MAIN STREETS



Source: <http://www.msac.org/aemap>

ANNOTATED CODE OF MARYLAND

ARTICLE 83A. DEPARTMENT OF BUSINESS AND ECONOMIC
DEVELOPMENT

TITLE 4. DIVISION OF TOURISM, FILM, AND THE ARTS

SUBTITLE 7-ARTS AND ENTERTAINMENT DISTRICTS

Current through end of 2002 Regular Session.

§ 4-701. Arts and entertainment districts

(a)(1) In this section the following words have the meanings indicated.

(2)(i) "Artistic work" means an original and creative work, whether written, composed, or executed, that falls into one of the following categories:

1. A book or other writing;
2. A play or performance of a play;
3. A musical composition or the performance of a musical composition;
4. A painting or other picture;
5. A sculpture;
6. Traditional or fine crafts;
7. The creation of a film or the acting within a film; or
8. The creation of a dance or the performance of a dance.

(ii) "Artistic work" includes any product generated as a result of any of the categories listed under subparagraph (i) of this paragraph.

(iii) "Artistic work" does not include any piece or performance created or executed for industry-oriented or industry-related production.

(3) "Arts and entertainment district" means a developed district of public and private uses that:

(i) Ranges in size from a portion of a county or municipal corporation to a regional district with a special coherence; and

(ii) Is distinguished by physical and cultural resources that play a vital role in the life and development of the community and contribute to the public through interpretive, educational, and recreational uses.

(4) "Arts and entertainment enterprise" means a for profit or nonprofit entity dedicated to visual or performing arts.

(5) "Qualifying residing artist" means an individual who:

(i) Owns or rents residential real property in an arts and entertainment district and conducts a business in the arts and entertainment district; and

(ii) Derives income from the sale or performance within the arts and entertainment district of an artistic work that the individual wrote, composed, or executed, either solely or with one or more other individuals.

(b) Subject to the requirements of this section, the Mayor and City Council of

Baltimore City or the governing body of a county or municipal corporation may apply to the Secretary for designation of an arts and entertainment district in the county or municipal corporation in which:

(1) Qualifying residing artists are eligible for the income tax subtraction modification under § 10-207(v) of the Tax - General Article;

(2) A property tax credit under § 9-240 of the Tax - Property Article applies; and

(3) An exemption from the admissions and amusement tax under § 4-104 of the Tax - General Article applies.

(c) An arts and entertainment district shall be a contiguous geographic area of a county that is:

(1) Wholly within a priority funding area as provided under § 5-7B-02 of the State Finance and Procurement Article; or

(2) Wholly within a designated neighborhood as defined under Article 83B, § 4-202 of the Code.

(d)(1) The Secretary shall give the Comptroller notice of the establishment of an arts and entertainment district on or before July 1 prior to the effective date of its establishment.

(2) The subtraction modification under § 10-207(v) of the Tax - General Article shall be applicable to all taxable years beginning after December 31 of the year in which the notice required under paragraph (1) of this subsection is provided.

§ 4-702. Designation of arts and entertainment districts

(a) A county or municipal corporation may apply to the Secretary for designation of an area within that political subdivision as an arts and entertainment district, but if a county seeks to designate an area within a municipal corporation as an arts and entertainment district, then the governing body of the municipal corporation must first consent.

(b) A county may apply to the Secretary on behalf of a municipal corporation, with the consent of the governing body of the municipal corporation, for designation of any area within that municipal corporation as an arts and entertainment district.

(c) Two or more political subdivisions may apply jointly to the Secretary for designation of an area as an arts and entertainment district that is located astride their common boundaries.

(d) The application shall be in the form and manner and contain such information as the Secretary may, by regulation, determine, provided that the application shall:

(1) Contain information sufficient for the Secretary to determine if the criteria established in §§ 4-701(a)(3) and (c) of this subtitle have been met; and

(2) Be submitted on behalf of the political subdivision by its chief elected officer, or, if none, by the governing body of the political subdivision.

(e)(1) Within 60 days following any submission date, the Secretary may designate one or more arts and entertainment districts from among the applications submitted to the Secretary on or before that submission date.

(2) The Secretary may not designate more than one arts and entertainment district in a county in any calendar year.

State of Maryland Regulations

Title 24 DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Subtitle 05 ECONOMIC DEVELOPMENT

Chapter 26 Arts and Entertainment Districts

Authority: Article 83A, § §2-105(b) and 4-701-4-703, Annotated Code of Maryland

.01 Purpose.

This chapter describes the procedures that will be used by the Secretary of Business and Economic Development to designate arts and entertainment districts.

.02 Scope and Administration.

The Secretary of Business and Economic Development shall administer the Arts and Entertainment Districts Program. Local jurisdictions shall administer certain activities related to designation and taxes. The Department of Assessments and Taxation and the Comptroller shall administer activities related to revenue and taxes. The procedures set forth in this chapter are applicable to the designation of arts and entertainment districts and the administration of the State Arts and Entertainment Districts Program.

.03 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) Artistic Work.

(a) "Artistic work" means an original and creative work, whether written, composed, or executed, within one of the following categories:

(i) A book or other writing;

(ii) A play or performance of a play;

(iii) A musical composition or the performance of a musical composition;

(iv) A painting or other picture;

(v) A sculpture;

- (vi) Traditional or fine crafts;
- (vii) The creation of a film or the acting within a film; or
- (viii) The creation of a dance or the performance of a dance.
- (b) "Artistic work" includes any product generated as a result of any of the categories listed under §B(1)(a) of this regulation.
- (c) "Artistic work" does not include any piece or performance created or executed for industry-oriented or industry-related production, such as a commercial or advertising copy.
- (2) "Arts and entertainment district" means a developed district of public and private uses that:
 - (a) May be a portion of a county or municipal corporation or a district with a special coherence that crosses jurisdictional lines;
 - (b) Is distinguished by physical and cultural resources that play a vital role in the life and development of the community and contribute to the public through interpretive, educational, and recreational uses; and
 - (c) Is a contiguous geographic area of a county that is wholly within a priority funding area as provided under State Finance and Procurement Article, §5-7B-02, Annotated Code of Maryland.
- (3) "Arts and entertainment enterprise" means a for-profit or nonprofit entity dedicated to visual or performing arts, excluding adult entertainment.
- (4) "Department" means the Department of Business and Economic Development.
- (5) "District incentives" means the financial incentives described in Article 83A, §4-701(b), Annotated Code of Maryland, for a qualifying residing artist and an arts and entertainment enterprise in an arts and entertainment district.
- (6) "Effective date" means the July 1 following the designation of the district by the Secretary.
- (7) "Fund" means the Maryland Economic Development Assistance Fund.
- (8) "Political subdivision" means a county or municipal corporation in the State.
- (9) "Qualifying residing artist" means an individual who:
 - (a) Owns or rents residential real property in an arts and entertainment district and conducts an arts or entertainment-related business in the arts and entertainment district; and
 - (b) Derives income from the sale or performance within the arts and entertainment district of an artistic work, excluding adult entertainment, that the individual wrote, composed, or executed, either solely or with one or more other individuals.
- (10) "Secretary" means the Secretary of Business and Economic Development.
- (11) "State fiscal year" means the period from July 1 through June 30.
- (12) "Submission date" means October 1 and April 1 of any calendar year.

.04 Eligible Applicants and District Designation.

A. Subject to the requirements of this chapter, the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may apply to the Secretary for designation of an arts and entertainment district in the county or municipal corporation.

B. County Application.

(1) Municipal Consent.

(a) A county may apply to the Secretary for designation of an area in the county as an arts and entertainment district, but if all or any portion of the area is within the boundaries of a municipal corporation, the governing body of the municipal corporation must first consent.

(b) The governing body of the municipal corporation shall state in its application whether, if the district is designated, it will offer the property tax credit under Tax-Property Article, §9-240, Annotated Code of Maryland, and the exemption from the admissions and amusement tax under Tax-General Article, §4-104, Annotated Code of Maryland, in the district.

(c) The required consent of the municipal corporation shall be obtained before submission of the application for designation and the consent document shall be included as part of the application.

(d) The required consent document shall be in the form required by local law or the governing body of the municipal corporation, or both.

(2) The county shall state in its application that, if the district is designated, it will offer the property tax credit under Tax-Property Article, §9-240, Annotated Code of Maryland, and the exemption from the admissions and amusement tax under Tax-General Article, §4-104, Annotated Code of Maryland, in the district.

C. Municipal Corporation Application.

(1) A municipal corporation may apply to the Secretary for designation of an area in the municipal corporation as an arts and entertainment district.

(2) The municipal corporation shall state in its application that, if the district is designated, it will offer the property tax credit under Tax-Property Article, §9-240, Annotated Code of Maryland, and the exemption from the admissions and amusement tax under Tax-General Article, §4-104, Annotated Code of Maryland, in the district.

(3) Before a municipal corporation may apply for a designation, it shall obtain the acknowledgement of the governing body of the county in which it is located that the income tax subtraction modification under Tax-General Article, §10-207(v), Annotated Code of Maryland, to be offered in the

proposed district may affect the county's income, and the acknowledgment shall be included as part of the application.

(4) The county governing body shall also state whether the county will, if the district is designated, offer the property tax credit under Tax-Property Article, §9-240, Annotated Code of Maryland, and the exemption from the admissions and amusement tax under Tax-General Article, §4-104, Annotated Code of Maryland, in the district.

(5) The required statements of the county and municipal corporation shall be in the form required by local law or the governing bodies, or both.

D. Two or more political subdivisions may jointly apply for designation of an area as an arts and entertainment district if portions of the proposed area are within each of their common boundaries.

E. The application shall be complete, meet all stated requirements, and be properly signed by the chief elected officer or officers in the case of a joint application or, if none, by the governing body of each of the political subdivisions. An application signed by the chief elected officer shall include a written expression of sentiment of the local elected governing body or bodies regarding the filing of an application for designation. The expression of sentiment may be in the form of a letter or a resolution at the discretion of the local jurisdiction.

F. The Secretary may permit a political subdivision to amend its application at any time before the Secretary acts upon the application.

G. The application shall be received by the Secretary of Business and Economic Development in care of the Division of Tourism, Film, and the Arts, Department of Business and Economic Development, on or before a submission date.

H. Within 60 days after a submission date, the Secretary may designate one or more arts and entertainment districts for a designation period of up to 10 years from the effective date from among the applications submitted.

I. The Secretary shall give the Comptroller of the Treasury notice of the establishment of an arts and entertainment district on or before July 1 before the effective date of the district's establishment. The subtraction modification under Tax-General Article, §10-207(v), Annotated Code of Maryland, is applicable to taxable years after the July 1 effective date.

.05 Application for Designation.

A. An application for an arts and entertainment district shall include the following:

- (1) A vicinity map and plan of the proposed district indicating:
 - (a) Existing improvements and, if known, their historic significance;
 - (b) Existing transportation facilities;

- (c) Existing arts, entertainment, and tourist facilities; and
 - (d) Any proposed State or local capital improvements projects that affect the proposed district:
 - (2) A tax map or block plat identifying those properties that are within the proposed district and their property valuations by class, an indication as to those publicly or privately held, an analysis of current building use or uses including their zoning, the availability of affordable housing, studio, and performance space, and other information that is established by the Secretary;
 - (3) A plan covering the responsibility for management of the district;
 - (4) Evidence that the county, the municipal corporation, or both, will offer the following incentives to arts and entertainment enterprises and qualifying residing artists if the request for designation is approved:
 - (a) A property tax credit under Tax-Property Article, §9-240, Annotated Code of Maryland; and
 - (b) An exemption from the admissions and amusement tax under Tax-General Article, §4-104, Annotated Code of Maryland;
 - (5) Additional incentives and initiatives the political subdivision may provide or establish to encourage arts and entertainment enterprises and qualifying residing artists to locate within the proposed district;
 - (6) Evidence and certification that the political subdivision, before submission, held a public hearing with adequate notice and publicity on the application;
 - (7) A written narrative to explain the goals and strategy for the district, including a narrative description on how the proposed district complements the local economic development plan;
 - (8) If the size of the proposed district exceeds 100 acres, a written justification of the size of the proposed district;
 - (9) A certification from the county or municipality that is applying that the entire proposed arts and entertainment district is located in a priority funding area under State Finance and Procurement Article, §5-7B-03, Annotated Code of Maryland; and
 - (10) Any other information requested by the Department.
- B. Under §A(4) of this regulation, a political subdivision shall require an arts and entertainment enterprise or qualifying residing artist to provide an annual report containing information required by the Secretary as a precondition to receiving an eligibility certification for the Arts and Entertainment Districts Program incentives and initiatives.

.06 Designation Determination and Notice.

- A. A determination by the Secretary as to the area designated an arts and entertainment district is final.
- B. The Secretary may give preference to applications for districts that are supported by all affected local jurisdictions and eligible for all available tax incentives.
- C. The Secretary shall give written notice of a designation to both a political subdivision that receives a designation and the State agencies that will provide tax credits and other incentives and initiatives.
- D. The Secretary shall notify a political subdivision that does not receive a requested designation in writing. The jurisdiction may reapply for a designation at any time by resubmitting the previously filed application or a revised application.

.07 Expansion of Arts and Entertainment Districts.

- A. Upon application, the Secretary may permit the expansion of a designated arts and entertainment district.
- B. The political subdivision or subdivisions that originally obtained the district designation shall apply for the expansion.
- C. An application for expansion of a designated arts and entertainment district shall set forth the basis for the request for expansion but need not duplicate data submitted for the original designation.
- D. The designation period for the expansion area of the district runs simultaneously with the period of the original district designation and expires at the same time as the original district designation.

.08 Redesignation of Arts and Entertainment Districts.

- A. Upon application, the Secretary may permit redesignation of all or a portion of a designated arts and entertainment district.
- B. Application Procedure.
 - (1) To apply for redesignation, the appropriate political subdivision shall file a complete application showing that the proposed district meets all the requirements for a new district.
 - (2) A redesignation application shall also include the following information:
 - (a) An evaluation of the history and benefits of the existing district;

- (b) An explanation of why portions of the existing arts and entertainment districts are included in the redesignation request; and
 - (c) A comparison of the strategy for the redesignation application with that of the existing district.
- C. A political subdivision may request redesignation of all or a portion of the designated district before the end of the 10-year designation period. The new 10-year designation period shall, however, begin immediately upon the redesignation by the Secretary, within 60 days after the submission date, rather than at the end of the original 10-year term.

.09 Limit on Designation of Arts and Entertainment Districts.

- A. The Secretary may not designate more than six arts and entertainment districts in any calendar year.
- B. Limit on Number of Districts.
- (1) A county may not receive more than one designation of an area as an arts and entertainment district in any calendar year.
 - (2) A joint application by two or more counties counts as one designation of an area as an arts and entertainment district for each county.
 - (3) A joint application by two or more municipalities within the same county counts as one designation of an area as an arts and entertainment district within the county.
 - (4) A joint application by a county and a municipality located within an adjoining county counts as one designation of an area as an arts and entertainment district for each county.
 - (5) The application for expansion of a designated arts and entertainment district is considered a new request and is counted as one additional designation of an area as an arts and entertainment district for the appropriate county or counties.
 - (6) A redesignation request is considered a new district request and is counted as one additional designation of an area as an arts and entertainment district.

.10 Property Tax Credit.

- A. The governing body of a county or municipal corporation may grant, by law, a real property tax credit against the county or municipal corporation property tax imposed on the eligible assessment of a building that:
- (1) Is located in an arts and entertainment district;

(2) Was, before renovation, a manufacturing, commercial, or industrial building; and

(3) Is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise.

B. The eligible assessment is that difference in value, attributable to the qualified renovations, between the first revaluation of the building after the completion of the renovations and the value existing in the records of the Department of Assessments and Taxation as of the January 1 before the commencement of the renovations.

C. If less than the entire building is used by a qualifying residing artist or an arts and entertainment enterprise, the credit is available only for the portion of the building used by a qualifying residing artist or an arts and entertainment enterprise.

.11 Annual Report.

A political subdivision receiving an arts and entertainment district designation from the Secretary shall submit an annual report on a fiscal year basis to the Secretary by September 1 following each fiscal year end, in the form and containing the information established by the Secretary.

.12 Period of Availability.

Except as provided in Tax-Property Article, §9-239, Annotated Code of Maryland, the Arts and Entertainment Districts Program incentives and initiatives are available for a period of 10 years after the date on which the area becomes an arts and entertainment district.

(3) The determination of the Secretary as to the areas designated as arts and entertainment district shall be final, except that, for any area not designated an arts and entertainment district, a political subdivision may reapply at any time to the Secretary for designation of that area as an arts and entertainment district.

(f) A political subdivision may apply to the Secretary for the expansion of an existing and in the same manner as the political subdivision would apply for the designation of a new arts and entertainment district.

§ 4-703. Regulations

The Secretary shall adopt regulations that specify application procedures and criteria for designation of arts and entertainment districts.

ANNOTATED CODE OF MARYLAND

TAX PROPERTY ARTICLE

§ 9-240. Arts and entertainment districts; tax credit

(a) In this section, "arts and entertainment district" and "qualifying residing artist" have the meanings stated in Article 83A, § 4-701 of the Code.

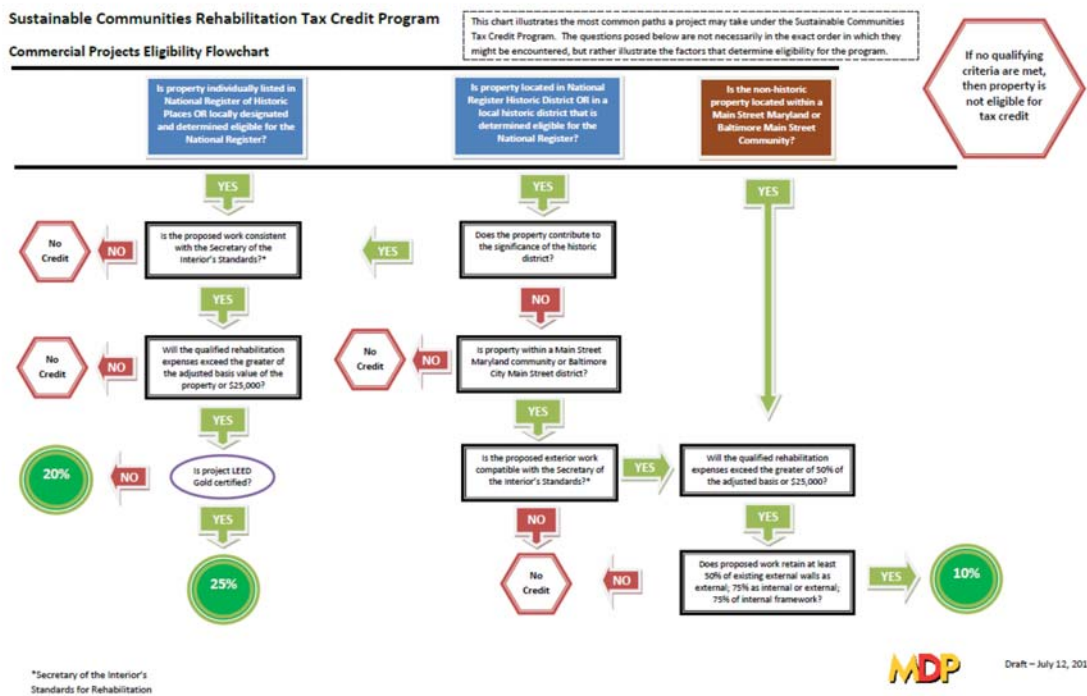
(b) The governing body of a county or municipal corporation may grant, by law, a property tax credit against the county or municipal corporation property tax imposed on a manufacturing, commercial, or industrial building that:

(1) Is located in an arts and entertainment district; and

(2) Is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise.

(c) A tax credit granted under this section may not be granted for more than 10 years.

F. MARYLAND PRESERVATION TAX CREDITS



Source: http://mht.maryland.gov/documents/PDF/TaxCredit_Flowchart_FY2011.pdf

G. STUDY AREA HISTORIC DISTRICT DESIGNATIONS

North Central Historic District Description

North Central Historic District:

National Register of Historic Places 12/27/02

Description

The North Central Area is comprised of twenty-five city blocks directly north of downtown Baltimore. The area stands at the crossroads of major north-south streets leading from downtown (Charles Street, St. Paul, Calvert Street, Maryland Avenue, and Guilford Avenue) and a major east-west thoroughfare, North Avenue. The roughly triangular-shaped, mixed-use district comprises late 19th century row housing, commercial storefronts from the turn of the century until the 1950s, large industrial buildings, as well as several old theaters, a church, and two school buildings. Most of the 630 buildings in the area are 2-4 story high row houses; however, the area also features an eight-story former apartment complex, several multi-story industrial/warehouse structures, and a few one-story, late 20th century automobile-oriented commercial buildings.

Urban in character, the North Central District includes examples Queen Anne, Romanesque, Neo-classical, Spanish Revival, and Modern style architecture in regards to its commercial and industrial structures. The residential buildings and houses which define the eastern portion of the area range from traditional Baltimore row houses with flat brick facades and restrained decorative treatments to more highly embellished eclectic designs built with a variety of materials. Some streets are tree-lined, but landscaped parks are rare, and parking lots and vacant lands where housing formerly stood create gaps within the district. Still, the majority of streetscapes are intact, retaining a high degree of historic integrity.

Significance

The North Central neighborhood is architecturally significant in that it embodies the distinctive characteristics of a late-nineteenth century to mid-twentieth century mixed-use, urban neighborhood, comprising a variety of row houses and other commercial/industrial buildings. The majority of its buildings represent the evolution of row housing from the traditional to more eclectic varieties which housed not only noteworthy Baltimore residents (including poet Sinclair Lewis) but also working class African-Americans living in small alley quarters.

The North Central Area is also significant because of its association with important businesses and industries, both local (such as Morgan Millwork) and national (such as the Noxell Company and Crown Cork and Seal). The neighborhood remained an important multifunctional area for Baltimore City until the post World War II period, when many people moved to the suburbs and businesses closed. Located within a corridor of historic neighborhoods in central Baltimore (Mount Vernon, Charles Village, Guilford, Homeland, and Roland Park), the North Central District completes a relatively unbroken chain of historic districts reflecting the migration of wealthy Baltimore residents from downtown to the northern suburbs.

Saint Paul Historic District Description

1601-1830 St. Paul Street and 12-20 E. Lafayette Avenue

National Register Historic District 12/27/84

Certified Historic District for Tax Credits (NR)

Description

The Saint Paul Street District is a distinctive collection of residential buildings in north central Baltimore. It includes houses on St. Paul Street and East Lafayette Avenue, most of which

were constructed between 1876 and 1896. The District is bounded on the south by the Jones Falls Expressway, on the north by E. North Avenue and consists of all the buildings which front on St. Paul Street in the 1600, 1700, and 1800 blocks, and five row houses numbered 12 through 20 on the north side of East Lafayette Avenue.

In the district there are ten distinctive architectural groups of buildings and four individual buildings in the 1700 block of St. Paul Street. These row houses offer many features that contribute to a rich architectural fabric. Façade materials include roman, common red and molded brick, limestone and sandstone. Fronts are swelled and straight, often punctuated with bays of various forms and heights. Some are further ornamented with terra cotta and articulated brickwork that form pilasters, pediments, entablatures and various arch conditions. Finally, these houses are graced with a mix of cornices, parapets and dormer pierced mansard roofs. There is a common, albeit mixed, architectural bond in the district, which creates a high degree of integrity.

Significance

Development of the Saint Paul Street District is a telling reflection of the change and growth that Baltimore underwent in the last thirty years of the 19th century. Recovering from the commercial devastation of the Civil War and the depression of 1873, Baltimore expanded and grew rapidly. Most of the seventy-six houses in the District were developed and constructed between 1876 and 1906 by some of the prominent realtors and contractors in the City, specifically, Hiram Woods, Benjamin Bennet, and Oscar F. Bresee.

During this period, new larger bridges were constructed over Jones Falls, opening up development of the land to the north. The ornate houses that were constructed in the district attracted Baltimore's more prominent and wealthier citizens. These persons included Hammond J. Dugan, George W. Rife, Edmund Sattler, J.A. Dunham, C.D. McFarland, Cecil C. Buckman and Dr.

Henry B. Thomas. These residences collectively represent a unique mixture of eclectic and traditional architectural styles in Baltimore characterized by an unusually high degree of articulated masonry and architectural ornamentation. This mixture represented a clear departure from the traditional Baltimore row house that was flat, unadorned and repetitious.

Patterson Park/Highlandtown Historic District Designation

Property Name: Patterson Park/Highlandtown Historic District

Date Listed: 12/27/2002

Inventory No.: B-1337

Location: Baltimore, Baltimore City

Description

The Patterson Park/Highlandtown Historic District is an approximately 120 block area in east Baltimore City. The district is generally bounded on the north by Pulaski Highway (U.S. Route 40), on the east by an industrial corridor, on the south by the Canton Historic District and Patterson Park, and on the west by the Butchers Hill Historic District. Predominantly comprised of unbroken streetscapes of modest rowhouses lining gridded streets, the Patterson Park/Highlandtown Historic District is characteristic of Baltimore's working class neighborhoods. In a manner characteristic of communities knit together by foot and streetcar transportation, churches, schools, corner stores, and scattered small-scale industrial buildings are interspersed among the rowhouses. A neighborhood commercial district is centered along Eastern Avenue, South Highland Avenue, and South Conkling Street, a branch library, a movie theater, and a Jewish cemetery complete the physical fabric of the historic district. While local architects like Wyatt & Nolting, John Zink, and E.

Francis Baldwin are represented within the district, for the most part the district is characterized by commonplace buildings. Typically for rowhouse construction, stylistic details serve merely as applied decoration to vernacular rowhouse variations. The district retains elements such as painted screens, window displays, planters, and decorative seating areas characteristic of Baltimore's rowhouse-based residential folkways. While buildings have been altered, these changes have not affected the all-important massing, form, and rhythm of the streetscapes. Changes to commercial buildings are typical of the property type; alterations to dwellings, particularly the application of Formstone, embody the ideals of home ownership so important to Baltimore's rowhouse neighborhoods.

Significance

The Patterson Park/Highlandtown Historic District is a remarkably large and cohesive rowhouse neighborhood in east Baltimore. It survives as a material representation of Baltimore's settlement patterns created by waves of European immigration. These newcomers, who established ethnically heterogeneous neighborhoods within this district, provided the labor essential for the growth of the city's industrial base. First settled in 1867, the Patterson Park/Highlandtown Historic District illustrates the role city annexation, industrial development, and home ownership played in shaping land use patterns in the city. Block after block of unbroken rows of modest brick rowhouses stand to represent their association with Baltimore's working class immigrant population. Churches, schools, corner stores, a neighborhood commercial district, movie theater, and library complete the fabric of a community knit together by streetcars and pedestrian traffic. The Patterson Park/Highlandtown Historic District is significant for its association with Baltimore's working class identity and the important role home ownership played in the city's

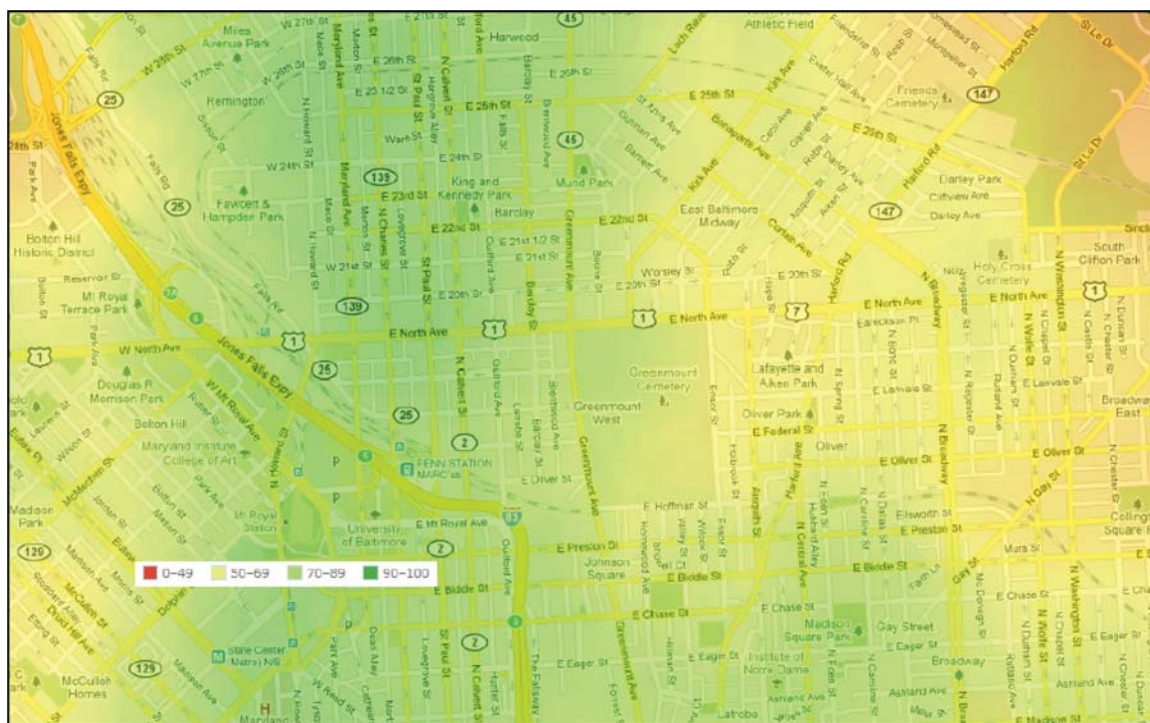
housing patterns. The Patterson Park/Highlandtown Historic District is also significant as a surviving example of the unbroken streetscapes of modest rowhouses that once characterized middle class housing in Baltimore. An exceptionally cohesive district, Patterson Park/Highlandtown has lost less than 1% of its architectural fabric constructed before 1952. While many of the rowhouses have been altered over time, these alterations are inextricably linked to the persistence of home ownership that characterizes this neighborhood and the democratic ideals of urban rowhouse living. Changes such as the application of Formstone and the installation of first-floor picture windows testify to the owners' continuing commitment to their neighborhood.

(Maryland Historic Trust 202)

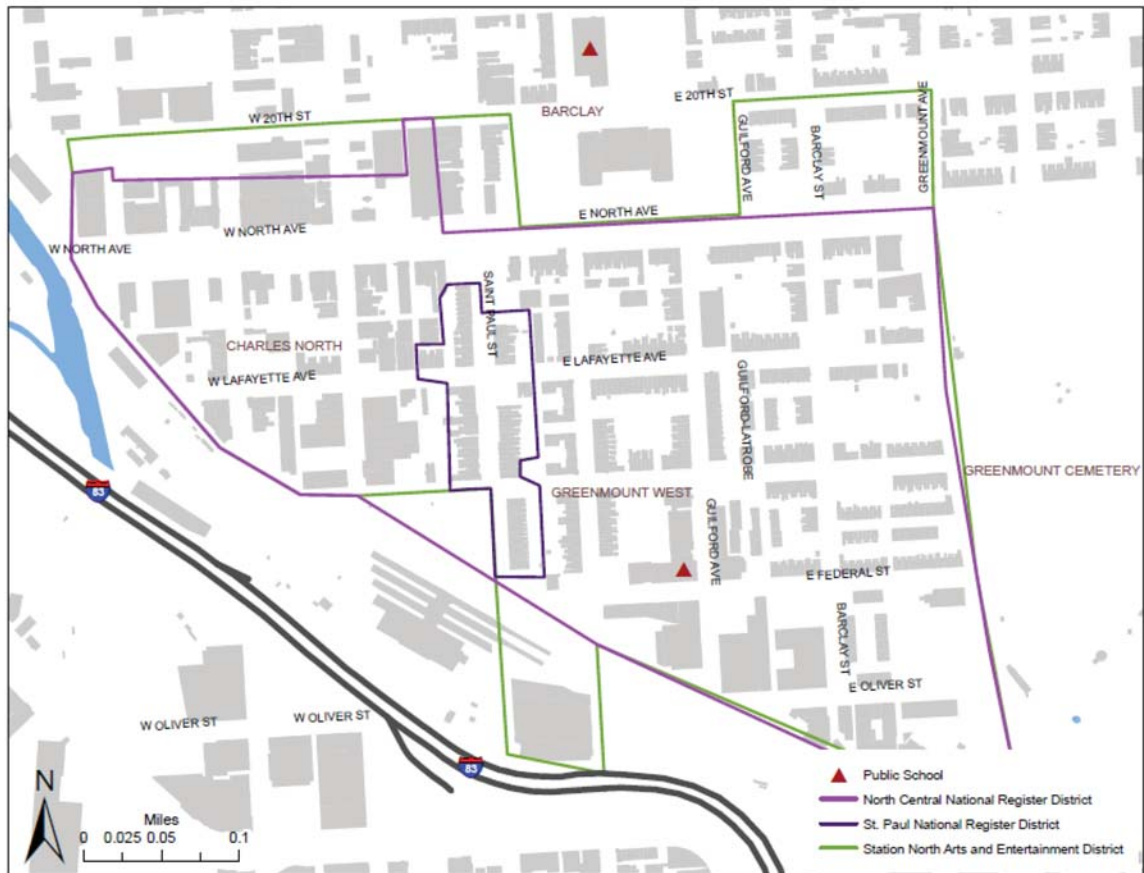
H. MAPPING STATION NORTH



Station North Figure Ground. *Map created by the author. Data source: data.baltimore.gov.*



Station North Walk Score. *Source: www.walkscore.com*

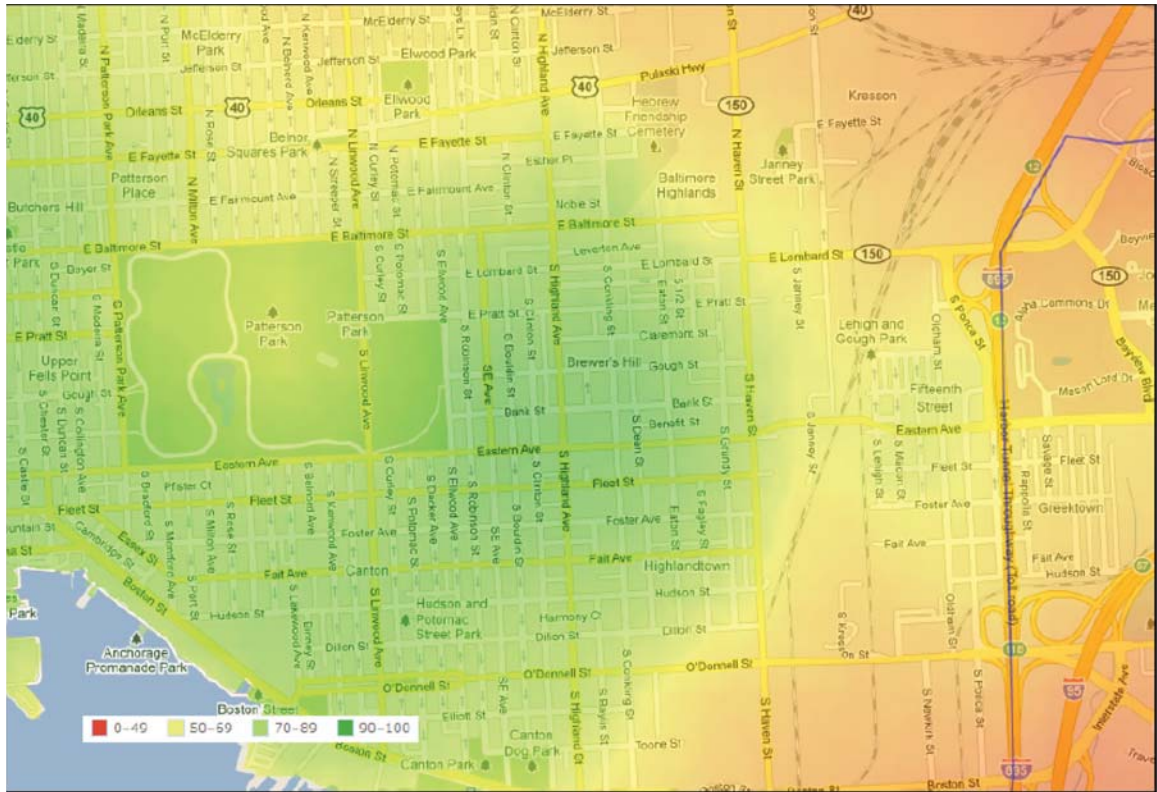


Station North Amenities. *Map created by the author. Data source: data.baltimore.gov.*

I. MAPPING HIGHLANDTOWN



Highlandtown Figure Ground. *Map created by the author. Data source: data.baltimore.gov.*

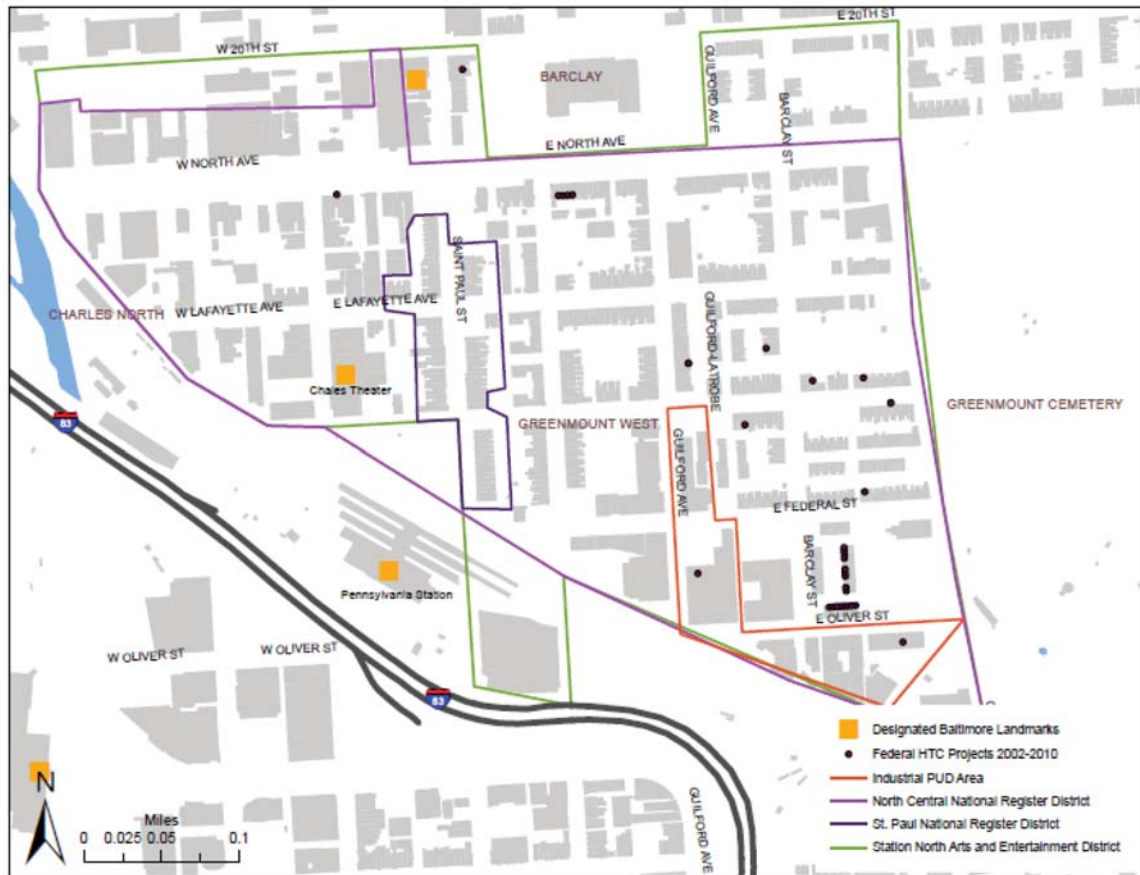


Highlandtown Walk Score. *Source: www.walkscore.com*



Highlandtown Amenities. *Map created by the author. Data source: data.baltimore.gov.*

J. FEDERAL HISTORIC TAX CREDIT USE DATA



North Central and St. Paul Street Federal HTC Usage since 2002. *Map created by the author.*

Data source: National Park Service.



Patterson Park/Highlandtown Federal HTC Usage since 2002. *Map created by the author. Data source: National Park Service.*

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